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The Nation's Business

No Need for War on Labor Front in Canada

John M. Godfrey Gets His Facts Twisted

Quebec Still Spending Freely

Ford Official Discusses Profits

Let Labor's Advance Be Peaceful Here

AT ALL costs we should endeavor to keep the labor front in Canada free of the violence, law-breaking and bloodshed that have marked recent months in the United States.

Over there, the nation's political leaders, from the President down, have been supine in meeting the challenge of illegal strike tactics. As a result, the adjustment of wages and hours of labor to the new conditions created by rising prosperity has been marked by many untoward developments for which the country will in due course pay a heavy price.

One of these developments has been the sit-down strike, which can have no place under law and order. Another has been intimidation of workers by ambitious leaders desirous of supplanting the former spokesmen for labor.

On the side of the industry there have been mistakes. One has been the rather pell-mell rush to increase wages higher than conditions justify, in order to ward off strike agitators and in the hope that the costs can be passed on to the consumer.

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THROUGH the whirlwind one man only has moved with clear objectives and determined purpose. He is John L. Lewis, who has advanced far towards being the labor dictator of the United States and ultimately that country's most powerful political force. He has not hesitated to break every law that has stood in his way; and he has so cowed the nation's statesmen that even the White House has been afraid to speak out against his more extreme methods.

In Canada there is a considerably different atmosphere in the labor situation, although the ultimate results may not be much different from those which will be attained across the border. Mr. Lewis's C.I.O. is busy organizing many industries in Canada, particularly steel and automobile manufacture. It is making progress. No doubt it will enter other fields, "organizing the unorganized" wherever present unions have not been active. In Canada, as in the United States, the C.I.O. will not hesitate to use any weapon it is permitted to use. The firm stand against the sit-down strike promptly taken by Premier Hepburn and Minister of Justice Lapointe has debarred the use of that sinister weapon but there are others, many of them quite legal, that can and will be used by the C.I.O. in its planned advance upon Canadian industry.

* * *

THERE is evidence that the split between the A. F. of L. and the C.I.O., that has injected so much bitterness in the United States picture, has not extended to Canada. Here the craft unions and the Lewis unions seem to have found a basis of accord.

The fact that Communist bodies have been supporting the C.I.O. may have obscured the issue. But if such support is embarrassing to the union leaders they have not said so publicly and, until they do so, they will rest under the suspicion of welcoming such support which is extended purely for publicity and mischievous purposes rather than objecting to it.

* * *

OTTAWA'S attitude towards the C.I.O. is set forth in a special article in this issue, which is based upon a careful survey of official and unofficial opinion. The Dominion Government will not resist unionization of the unorganized industries of Canada. It will not resist the C.I.O. It will not resist the Communists. Its resistance will be directed solely against the use of illegal techniques by any of these labor bodies. Anybody can organize strikes and other forms of industrial trouble in Canada as long as they refrain from conspiracy, intimidation, trespass, etc.

This is perhaps the only attitude one could reasonably ask of the government. But a government that relies upon such a policy owes it to the community to follow it through to the limit and take the initiative in punishing to the full extent of the law any deviation from straightforward legal unionization methods. If Ottawa displays in all labor matters the firm determination to insist upon law abidance that it showed in regard to the sit-down strike, then Canadian employers will not be at a serious disadvantage in assuming the responsibility of fighting unionization where it is regarded as inimical to the interests of the workers in any particular industry, and labor organizers who keep within the law will not be hampered in their work.

* * *

CANADIAN industry may as well accept the fact that it need not expect either the Dominion Govern-

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Heavy Orders From Britain Aid For Dosco

Iron Ore Shipments May be Doubled in 1937 — Coal Trade Good

EARNINGS ON STOCK

From Our Own Correspondent

MONTREAL. — Dominion Steel and Coal Corp. will not only pay full interest charges on the 6¼% income bonds during 1937, but it is probable that revenues will be sufficient to permit payment of accumulated arrears of interest, together with a surplus available on the B stock on which nothing has been earned since 1929.

At present the volume of business on hand is far greater than at any time since the depression set in. The Sydney steel plant is operating at capacity and will likely do so for the balance of the year.

The outstanding improvement in the position of the steel division is due in part to the volume of shipments to England, which, it is believed, amounts to something over 100,000 tons per year and in view of British requirements, it is likely that this volume will be maintained for three or four years.

What this English business means to Dosco is more graphically put by saying that from 25% to 30% of the facilities of the Sydney plant will be employed in filling this business.

Rail Business

It is still too early to determine how the rail business will shape up this year. The company has already completed and shipped an order for 6,700 tons of rails for the Canadian Pacific Railway. It is probable that more business will be forthcoming from the Canadian National Railways when its track-laying programme for 1937 has been drawn up.

In addition to the English business, Dosco has secured a relatively sharp increase in domestic business for rods, bars, nails and miscellaneous products. The gain in domestic orders has been outstanding and leads to the hope that further business will be secured from this source during the current year.

This marked improvement in the steel division is followed in the other major departments. During 1936 iron ore shipments from Wabana totalled 893,308 tons, as compared with 662,441 tons the year before. The relatively low volume was due to the difficulty of German importers in securing necessary cash credit to take full deliveries. As a consequence shipments of ore to German firms last year amounted to 136,220 tons as against their contract tonnage of 700,000 tons.

1937 Ore Shipments

It is now estimated that iron ore shipments in 1937 will aggregate approximately 1.7 million tons—nearly double the 1936 total and a figure only reached twice before, in 1928 and 1929. All mines are now being worked almost to capacity and employment will be given to some 2,200 men this summer.

Orders from the Sydney plant of Dosco for delivery this year amounted to 650,000 tons, the highest figure in a number of years.

The German contract requirements, as mentioned, have not been fully met for some years. It is understood that the necessary financial arrangements have been made and shipments to Germany this year will total over 800,000 tons, by far the largest volume in several seasons.

English buyers are almost doubling their requirements this year, indicating shipments of approximately 250,000 tons.

The balance, between 20,000 and 40,000 tons, will be shipped to the United States.

Particulars of Dosco's operations and earnings for last year, which are now available, show that the company is just on the verge of breaking even. The net profit available for interest on the income bonds amounted to $258,124, which was only $17,400 short of meeting full interest charges. This was more than $100,000 better than in 1935.

The 6¼% income bonds were 4.08% in arrears at the beginning of March. Anticipated earnings in 1937 from the volume of business now on hand should more than cover depreciation, depletion, regular interest payments and the arrears. There are now outstanding only $4.4 millions of the income bonds. Payment of a full coupon and the arrears would require less than $450,000.

Share Earnings Prospects

What the company can earn on its B stock this year is difficult to determine. However, if on last year's volume of business Dosco was able to cover depreciation and depletion reserves (which amount to around $1 million annually) and come within a fraction of earning full interest on the income bonds, profits from the additional business on the books for 1937 should largely accrue to the B stock.

With only 841,750 shares of B stock outstanding, this means that Dosco is now in a position to put substantial earnings back of the capital stock, something it has not been able to do in the last six years. Estimates of what these earnings will be range all the way from about $1.50 to better than $3 a share, with the likelihood that the actual return this year will be somewhere in between.

For earnings statement see page 5.

Pantepec Oil Options Exercised for $419,000

Pantepec Oil Co. of Venezuela informs the Toronto Stock Exchange that options producing some $419,000 for the company have been taken up.

Special Tax To Put Curb On War Gain

Extremes Avoided in Government's Tentative Plan

FOREIGN SALES

From Our Own Correspondent

OTTAWA. — From authoritative Government sources, assurance is given Canadian business that the policy of limiting war profits, as heralded in the Commons a few days ago by Prime Minister W. L. Mackenzie King, will avoid extremes.

No restriction whatever is intended of profits made by Canadian firms from the sale of munitions or armaments to foreign countries. In the second place, the policy will be enforced only if and when Canada itself is at war. It will be next session of Parliament at the earliest before any legislation will be submitted.

Control of Sale

Following the report of the investigating cabinet committee, which is not ready, some highly complicated and technical legislation will have to be drafted. For the present the Government has the power which it has taken by amendments to the Customs Act to license and control the sale of munitions.

It will exercise this only when issues of national or imperial policy are raised by the nations to which armaments are being shipped. Naturally the Government will not stand by and see war supplies shipped to a country with which Britain might conceivably be at war in the future. This control is deemed sufficient by the Government for the present situation.

A member of the ministry indicated the direction in which the Government's mind is running in the following frank comment to The Financial Post:

"The object which the Government has in view is not to prevent Canadian industry from making money out of other nations' wars. That would be wholly unsound. To limit profits on foreign munition orders would simply be to help to make armaments cheap for nations that are prepared to break the peace of the world. That is the last object that Canada should have in view. The higher the prices that Canadian firms can secure for war supplies, the better, even if it does mean excessive profits for them.

Profits of War

"The situation towards which the Government is looking is the possibility of Canada at some time in the future again being at war herself. The determination of the ministry is that if that unhappy time should come, the soldiers who fight the country's battles will not have to be content with $1.10 per day while the manufacturers who stay at home and make the shells become millionaires. It is solely the limitation of profits out of a Canadian war that the government will concern itself with."

The method which the Government will adopt, it is expected, will be the imposition of an excess profits tax which will recover for the treasury the greater part of the profit which Canadian firms may make out of the sale of munitions to their own Government. What the ministers are chiefly concerned with is said to be the rate at which the excess profits shall be taxed. There is understood to be no prac-

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Dosco Wages

From Our Own Correspondent

MONTREAL.—By a majority vote members of the United Mine Workers of America have voted to accept the Dominion Coal Co. offer of a new wage contract covering a two-year period from Feb. 1, 1937.

"This thing is a revolution," says Hugh Thompson, auto union organizer, speaking of the C. I. O. drive for industrial labor organization which now has Oshawa, "The Motor City," in its grip.

"It heralds the advent of real industrial democracy as a preferable alternative to Communism and Fascism."

C. I. O. LEADER

Pictured above is Hugh Thompson, aggressive young organizer from Detroit headquarters of the United Automobile Workers, C.I.O. affiliate. He is shown as he addressed a recent rally of General Motors workers in Oshawa in the course of the campaign which has brought about a clash with the company over the union recognition issue. Right is one of the emergency car storage depots which General Motors established in driveways, backyards and other available spots in the Oshawa district when a strike threatened last week. Fearing that newly produced cars would be bottled up in the plant yards by the strike, the company worked night and day to move out several thousand autos.

Canadian Ponzi Sentenced in U.S.

H. J. N. Neville Jailed for Boston Fraud Operations

A prison term of from five to seven years was imposed in Boston this week on H. J. N. Neville, alias John Bruce Heath, Canadian-born stock promotion swindler whose latest scheme involved defrauding of Boston investors of upward of $100,000 through a Ponziesque "investment syndicate." Collapse of the scheme brought about disaster for The Financial Observer, elegantly conservative New York journal started by Neville with the funds illicitly raised in Boston.

Neville's spectacular fleecing of trusting investors, which reached its zenith in Canada, England and the United States between 1925 and 1927, landed him in the Joliet, Ill., penitentiary in 1928.

He engaged in further promotion activities in Ontario after being released in 1935 on suspended sentence, when arraigned on charges dating back to 1927. He is still wanted in Toronto on fraud and theft charges. It is believed likely he will be deported to Canada on completion of his present term, and will be tried in Toronto on these charges.

U.S. Likely to Double Outsiders' Income Tax

Washington Plans 20% Levy on Dividends Going Outside Country But May Maintain 5% Rate for Canadian Investors

By Staff Editor

OTTAWA.—There is every reason to believe that the United States will, within a few weeks, increase its income tax on dividends and interest paid to non-residents. The tax is now 10% and this figure is almost certain to be doubled as part of the Washington government's earnest effort to control the flow of "hot money" from European sources to Wall Street. The probability is, however, that Canadians will be taxed only 5%.

Canada and the United States have recently concluded a treaty under which the tax on the American dividends of Canadians is reduced to 5%, which is the rate imposed by Canada on dividends and interest paid by Canadian corporations and debtors to citizens of the United States. The treaty has received the approval of the House of Commons and the Senate. No difficulty is anticipated in having it approved by the Senate of the United States when it comes up for ratification in the near future.

Subject to Change

Under the treaty each country reserves the right to change this rate without notice, in which event the treaty lapses and the other country may change its rate. It will be seen therefore that there is no legal permanence to the present agreement upon a 5% rate.

However, Ottawa feels very hopeful that if and when the United States, in the near future, increases its tax on non-residents from the present 10% rate to the projected 20% rate, Canada will be exempt from the application of the higher rate.

It may be taken for granted in any event that whatever rate is imposed by the United States on Canadians drawing income from that country will be met by Canada, not in a spirit of retaliation, but in order to protect this country from a serious loss of taxable income.

Youthful C.I.O. Agent Drops Vacation Plan To Start Auto Drive

Hugh Thompson Mobilizes Workers in Canadian Plants

By G. S. C.

Seven weeks ago, Hugh Thompson was preparing to take a vacation. Tension was subsiding in the battle between General Motors Corp. in Detroit and the United Automobile Workers (C.I.O. affiliate). As one of the organizing leaders of the now powerful union which undertook to grapple with a vast corporation for a foothold in the automobile industry, he felt that he was entitled to a rest.

He has not yet had his vacation, but in 50 days has rallied 4,200 automobile workers in Oshawa, St. Catharines and Windsor into strong Canadian units of the U.A.W. He is now directing union representatives seeking to establish the union as the recognized negotiating agency for workers of General Motors of Canada.

Since he dropped his holiday plans and hastened to Oshawa, he has been denounced as a "foreign agitator" who has mobilized workers into unions they didn't need. He has been accused of undercover activities based on extravagant promises, high-pressure salesmanship and intimidation. He firmly denies all counts of the indictment.

British Subject

Thompson lives in Detroit, but he is still a British subject, and insists he is legitimately in Canada under the immigration rule which permits entry of representatives of trade union organizations.

He came, he asserts, not as an alien agent for an organization desirous of creating a new unit where no need or demand existed for one. He appeared on the scene, he says, to crystallize a desire for union organization registered by a group of General Motors workers, in an appeal for aid to the U.A.W. headquarters in Detroit.

"We weren't quite ready to branch into Canada because we were still involved in the battle in the United States," he explains. "But we would have come in eventually, and when we got the hurry-up call for help, I went to work."

He has not been "working under cover with high-pressure methods," he declares, for the simple reason that he didn't have to. He was too busy (he says) directing the organization of unions for workers whom he found eager to join by the time he arrived on the scene.

Like most of the other leaders of the United Automobile Workers, Mr. Thompson is a young man, still in his middle thirties. Yet he is one of the outstanding figures who have taken part in the drive of the U.A.W. and the C.I.O., to weld unorganized workers in the mass production industries into strong and articulate bodies to demand definite concessions from employing corporations.

It was he who created the nucleus of the automobile union in 1933, when he whipped together what was to be the first unit. He

(Continued on page 10, col. 1)

Strike Damage May be Insured

Damage to property during a strike may be covered by insurance, The Financial Post is informed, but there is no protection against loss of profits arising from strike activity.

Property damage by strikers is covered under an endorsement to the riot and civil commotion policy, known as "vandalism and mischievous damage." The riot policy would only apply in the event that the strike assumed the proportions of a riot. Cost of the vandalism endorsement varies widely from trade to trade, depending to a large degree on the type of building and the contents.

An ironic sidelight to the outbreak of strikes in both Canada and the United States is that rates on the endorsement which covers strike damage were cut in half in January of this year.

Montreal Plans Slum Clearance

From Our Own Correspondent

MONTREAL.—Montreal will set up a Slum Clearance Commission, provided that the Quebec Government approves the Montreal Bill incorporating a clause giving the city authority to borrow $3 millions to get the project going.

It is proposed to give the Commission authority to raise $3 millions by means of bonds or debentures secured by the guarantee of the city.

Motor City Swung Into Union Camp By C.I.O. Advance

Oshawa Scene of First Test of Strength In Mobilizing 3,000,000 Workers

By GUY S. CUNLIFFE

The battle has been joined in Canada over labor's bid for international power in this continent's industrial empire.

Driving toward the eventual goal of mobilizing three million unorganized workers in the Dominion, the Committee for Industrial Organization has already raised a Canadian battalion for the first major engagement.

Object of the first onslaught along the Canadian front is General Motors of Canada, now locked in a struggle for supremacy with the C. I. O. motor affiliate, United Automobile Workers of America. Arrayed against the corporation is an apparent majority of workers in its three Ontario plants.

Union Drive

In Oshawa, unionization has enlisted motor workers, labor in parts supply plants, bread and milk drivers, even some shopkeepers, businessmen and town officials. Oshawa has always been regarded as a "company town," dominated by the great corporation within its limits. Now the mayor and several of his councillors are openly aligned on the side of the unionists.

So substantial are inroads of union organization into the hitherto impregnable ranks of the auto workers, that a sit-down strike is regarded as unnecessary. The traditional walkout and picketing will be sufficient to close the plants and enforce union demands, the workers' leaders confidently assert.

First Open Clash

Threat of a strike loomed over the G. M. plants from the start of negotiations, opened last week between company officials and the newly-formed Oshawa branch of the international union. It was the first open conflict between a C. I. O. unit and a major Canadian industrial concern.

How and why did it come about? What brought about this seeming reversal of loyalties? Obviously there must have been some receptiveness of Canadian workers to the C. I. O. ambition for international scope. For the C. I. O. is frankly out to sell its intensive organizing powers to create an auxiliary force in Canada, to expand its U. S.

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Sherritt May Start Milling By June, 1937

Annual Report Shows Property in Good Shape for Resumption

Its first annual report since 1935, Sherritt Gordon Mines, northern Manitoba copper prospect, has issued one covering the period from June 30, 1935, to Dec. 31, 1936.

No definite date is set in the report for resumption of production, but Halstead Lindsley, president, states that everything is in readiness for full scale operation immediately upon availability of power, and it is hoped this may not be later than June.

Preparatory work in getting the mine ready for resumed production was started early in 1936, and in the period under review cost about $246,000. Eldon L. Brown, general manager of the company, states that in the past year the No. 3 shaft has been deepened to an inclined depth of 1,127.1 ft. Stations were cut for the 6th and 7th levels at inclined depths of 950 and 1,100 ft. respectively. Crosscuts were driven out to the hanging wall on the 4th, 5th and 6th levels. Ore intersection on the 4th level showed a width of 17.8 ft., carrying 3.53% copper, 1.46% zinc, 0.014 oz. gold and 0.60 oz. silver. On the 5th level, width was 11.7 ft., copper 2.24%, zinc 1.20%, gold 0.010 oz. and silver 0.32 oz. On the 6th level the width was 14.3 ft., copper 3.15%, zinc 2.16% gold 0.015 oz. and silver 0.44%.

No tonnage estimate of ore reserves is given.

The balance sheet reflects impairment of the liquid position through the development programme and other maintenance and administrative charges. Current assets as at Dec. 31, 1936, amounted to $442,999, of which $25,184 was cash, and $274,926 cost price of bonds, with a market value of $302,825. Current liabilities total $7,252, leaving working capital at $435,747, compared with working capital of $536,152 at June 30, 1935.

During 1936, a net recovery from copper sold of $43,261 was realized and a small profit from sale of securities, making a net profit for the 18 months ended Dec. 31, 1936, of $4,461.

Highlights

New Securities Regulations

Ontario Securities Commission moves to protect mining investors along lines of agreement reached at Dominion-Provincial conference. Page 19

Drought Problem

Rehabilitation of western agriculture on dry farming basis rather than abandonment of stricken areas is Dominion policy. Page 11

Steel Prospers

Structural steel for engineering projects and exports to Great Britain brings expansion for Canada's steel industry. Page 8

Investors' Index

Index of industrial, mining and oil companies. Page 2

What's Ahead?

Inflation—Boom—Crisis.

These are words that are creeping into everyday conversation as business recovery gets under way and stock markets continue soaring into new high ground.

Next week The Post will devote a feature article to a discussion of these vital problems after a first-hand survey of the situation from an international point of view. The article will be of tremendous value to investors and businessmen in helping them to get their bearings for the days that are ahead.

There will also be another important article in the series "Profit Possibilities for Investors." The subject will be "common stock leaders."

Next week in The Financial Post.

Daily Service To Mine Areas Being Planned

'Planes to Fly From Winnipeg, Toronto, Montreal

Daily air service will soon be inaugurated between Toronto and such northern mining centres as Sudbury, Timmins, Kirkland Lake, and Little Long Lac, The Financial Post learns from Jack Moar, a Canadian pilot well known to northerners.

Skylines Express Ltd., of which firm Mr. Moar is vice-president, has purchased outright ownership of Northern Flights, through which the daily air service will be operated.

From Montreal, Skylines Express will operate a direct daily service through Lamaque-Siscoe, Rouyn, and Kirkland Lake to Timmins, linking up with the Toronto route.

The company is already providing transportation by air between Winnipeg, Red Lake, Jackson Manion, Uchi Lake, Patricia, and Little Long Lac.

The company reports that it has placed orders for a number of new aircraft including five 12-passenger airliners which will bring the mining fields of the north to within two to five hours of Toronto. Timmins and Kirkland Lake will be a matter of only about 30 minutes away. The new planes are scheduled for delivery in the spring. They will have twin motors, capable of attaining an altitude of more than 22,000 feet, and having a cruising speed of about three miles per minute. They will be equipped with a two-way radio and radio compass for direction finding.

Reorganization Plan

A meeting of holders of 6% first mortgage bonds of Windsor, Essex and Lake Shore Electric Railway Association has been called for May 3 to appoint a committee of three to draft a plan of reorganization.

The committee is to have authority to approve or oppose any plan of reorganization for the association or any refinancing plan that may be proposed for all or any one of the nine municipal corporations, the bonds of which are held as security for the association's own bonds.

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BAY STREET SECTION

EATON'S - COLLEGE STREET

Dividend Is Declared By United Steel Corp.

Directors of United Steel Corp. have declared an initial dividend of 75 cents a share on the company's class "A" stock payable May 1 to shareholders of record April 15.

At the annual meeting of shareholders held April 6, T. J. Dillon, president, stated that in the first quarter of the year the company and its subsidiaries booked twice as many contracts and orders as in the same period of 1936. Furthermore, these bookings were made at much higher price levels than obtained last year, which will ensure greater profit.

WHEAT!!

DID YOU TAKE 22 CENTS PROFIT ON LONG WINNIPEG MAY WHEAT (purchased at $1.26 in February, sold at $1.48¼)?
DID YOU TAKE MORE THAN 11 CENTS PROFIT IN CHICAGO MAY WHEAT IN THE SAME ADVANCE (Sold at $1.43¼)? DID YOU BUY CHICAGO MAY CORN AT $1.07¾?

Profit-taking advices in long grains last week COMPLETES MORE THAN 50 CENTS PROFIT IN WINNIPEG MAY WHEAT, AND MORE THAN 40 CENTS PROFIT IN CHICAGO MAY WHEAT, IN 5 MOVES, IN FIVE MONTHS AND WITHOUT A SINGLE UNPROFITABLE REVERSAL IN THESE TWO IMPORTANT OPTIONS OF WHEAT.

That is the record of TREND-ICATOR LETTER (Grains), a tri-weekly grain market letter service, mailed from Minneapolis and Chicago. Information will be furnished upon request.

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The Nation's Business

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ment or the provincial governments—with the possible exception of the Quebec Government, which is in this matter an uncertain quantity—to put up any resistance to the spread of the C.I.O. or the wider organization of labor, even when such organization puts Canadian workers under the domination of foreign labor leaders.

Many workers are being fooled by the promises held out to them by agitators and organizers. In the long run, higher wages and shorter hours cannot be produced out of nothing. They cannot be paid out of the bricks and mortar or even the working capital of industry. They must come out of consumers or out of increased efficiency. If wages get ahead of the incomes of consumers, wages will have to come down again. Even a spell-binding C.I.O. orator cannot get blood out of a stone unless the blood is there.

* * *

Mr. Godfrey is Wrong This Time

IN THE shouting and tumult which surrounds the Ontario Securities Commission at the present, many issues are becoming deplorably confused. The situation has not been clarified by a piece of unfortunate writing in the columns of a Winnipeg paper, which distorted the mines promotion situation in Toronto.

In the Winnipeg article, which was itself rather confused, a lurid picture of conditions in Toronto was painted. The article apparently provoked the Ontario Securities Commissioner, John M. Godfrey, to such an extent that he himself confused issues in a published interview.

In the interview, Mr. Godfrey referred to a recent series of articles appearing in The Financial Post, which detailed, in factual fashion, the operations of a group of share-pushing swindlers in Ontario points. These articles, the Commissioner stated, were politically motivated.

When a government official finds himself under criticism, his obvious answer is, of course, that the critics are politically biased.

The Financial Post has always been free of party ties. It resents Mr. Godfrey's reference for the reason that it is untrue, unfair and uncalled for.

The facts speak for themselves, very clearly.

* * *

THE POST'S articles detailed the operations of half a dozen promoting firms which, in its opinion, had no right to be licensed to operate. These firms, in many cases "fronting" for men of notorious reputations, were selling mining stock by high-pressure methods, methods which were resented by all legitimate mining financiers. Publication of the methods of these firms and individuals caused considerable discussion, but, of paramount importance to The Post, and all those interested in the welfare of the mining industry, was the fact that following their publication, four of the chief offenders were closed by the Securities Commission, and two more were materially curbed in their modus operandi.

The fact that the objects of this campaign were accomplished in such a striking manner is, The Post feels, ample justification for its articles.

Bluntly, the attempt of the Commissioner to impute political motives in such a case is amazingly childish, and not a little ridiculous.

* * *

THE POST will continue to give Mr. Godfrey and all the security commissioners hearty support in all their attempts to keep the mining industry a worthy one for public funds. It urges Mr. Godfrey to refrain from pique.

The law has given him arbitrary powers. There are many solid citizens who feel that such powers should not be extended to any single man. The Financial Post, recognizing the danger of concentrating so much authority in a single man, has nevertheless refrained from criticism of this angle of the security situation because it has found Mr. Godfrey and other security commissioners in Canada almost always anxious to use their dictatorial authority to the best public advantage. But the more arbitrary the powers granted to a public official in a democratic country, the more important it is for him to be perfectly fair and just at all times in his public statements as well as in his official actions. Mr. Godfrey has departed from this standard in the present instance.

* * *

Quebec Fails To Inspire Confidence

ARGUING that this is not the time to curtail necessary and urgent expenditures, when improvements and important reforms are essential to the welfare of Quebec's population, Hon. Martin B. Fisher, treasurer of that province plans for a deficit of nearly $32 millions in 1937-38.

There are times when a Government may be justified in sponsoring an unbalanced budget, but during a period of recovery, economy should be the watchword. No doubt the spending of large sums of money on highways, colonization, etc., will please certain factions. But if the Quebec Government wants to make a contribution to the further recovery of business and lessening of the unemployment problem, a balanced budget would have been more helpful. There is no greater stimulant to business than to know that it is not going to be taxed excessively to provide for "extraordinary" expenditures. Such is not the hope held out for Quebec business, rather is it faced with the certain knowledge that there will be no relief from taxation. Such a prospect does not inspire confidence, and in that respect the Government is defeating its own objective in planning for a continuation of deficits, which have already materially added to the taxpayers' burden.

* * *

Take All and Get Nothing

WILLIAM J. CAMERON, senior spokesman for Ford Motor Co., drove home a fundamental economic principle when he told a Sunday evening radio audience this week a few home truths about profits.

He pointed out that if Henry Ford had divided among his fellow-employees all the profits he made by the business that there would have been no Ford business such as it is known today.

"Common sense," said Mr. Cameron, "told him he could not level his business every Saturday night and 'start' from scratch every Monday morning.

"Anyone can see what would have happened had he called his men together every week and divided among them the week's profit. What would have been left for experiment, equipment, improvement, growth? Nothing.

"The little shop would have stayed little. Its crude methods would have remained crude. Its primitive car could not have advanced beyond the primitive stage.

"Other manufacturers, investing their profits in better equipment, would have made a better product to sell at a lower cost and so sell more and, in consequence of a growing volume, employ more men at higher wages.

"But the little Ford shop, dispersing its profits, would have drifted further and further behind, grown more and more antiquated, until eventually it disappeared, and its seventy-five men would have been out.

"They could not have grown into the 125,000 men we see today. For profits are what a business grows on. Profits support a business in the same way that wages support a family."

Those who preach "share-the-wealth" doctrines often forget this natural law—forget that the "philosophy of taking everything whether practised by management or labor or by both together, or by government tax collectors, results in nobody getting anything."

Tax Privilege On Annuities Wide in Scope

Ontario to Allow Exemption Where Life Policy Converted

Amendments to the Ontario Succession Duties Act relating to exemption of annuity payments will be interpreted broadly, The Financial Post is informed by officials of the Provincial Treasury Department.

Life insurance executives, however, are hoping that interpretation will be narrow. They point out that only opinions have thus far been issued by the department. There have been no final rulings, and it is possible that the interpretations given may be revised. It is understood that representatives of the Canadian Life Insurance Officers Association propose making representations to government officials immediately.

At first blush, the desire of life insurance men may appear paradoxical, as apparently they stand to benefit from a broad interpretation of the amendments. Explanation is the fear that the thrift-provoking purpose may become obscured by attempts to evade duty. The companies are concerned with the possibility that tax evasion schemes will spring up which may lead the Government to make amendments at another session, or to make rulings, which would defeat the true purpose of the legislation.

Scope of Act

The recently enacted legislation provides that any bequest involving periodic payments to a wife, or to a dependent father, mother, sister, brother or child, including a grandchild or an adopted child, is free of succession duty. This exemption applies up to a maximum represented by the capital value of payments aggregating $2,400 a year, with a maximum to any one person of $1,200.

Officials of the department indicate that in cases where the deceased had taken out an ordinary life insurance policy and at his death his widow accepted an option of receiving payment over a period of years, the exemption would apply. In other words the exemption is effective whether or not periodic payme ts were specifically mentioned in the original contract. They point out that the purpose of the amendments to the act is to foster thrift; to encourage making provision for dependents after death.

Contract Before Death

An important provision is that the annuity contract must have been entered into during the lifetime of the deceased. No exemption will be allowed on amounts willed to be set aside for the purchase of an annuity. A contract may be made, however, which will pay for an annuity at a person's death, the premium being taken from the estate. So long as this has been contracted for before death, the exemption will apply.

One method by which the purpose of the legislation may be circumvented is by "commuting"—or cashing in on the value of the annuity. There is nothing in the act to prevent a beneficiary from electing to receive proceeds of a life insurance policy in the form of periodic payments. In this way he is entitled to exemption of the capital value of $1,200 a year for the term of the contract. Three days later he may turn around and ask that his annuity be converted into one lump payment. Officials recognize the difficulty and will probably take steps to meet it.

One important angle, which will probably be stressed by life insurance agents, is that the exemption of annuities has an indirect, secondary effect on the amount of duty paid. In reducing the amount of the estate on which duty is applicable, the rate of duty is also lowered, as it is on a graded scale. For instance, the value of an estate is placed at $100,000 of which $25,000 represents the capital value of annuities contracted for during the lifetime of the deceased. The taxable estate is then $75,000 and the rate of duty on that amount is charged in place of the higher rate on $100,000.

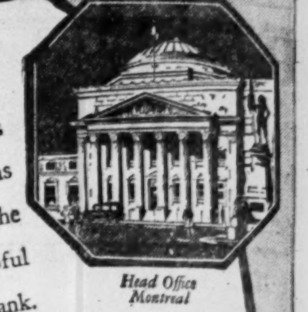
In some instances, the exemption may mean that estates which formerly were assessed a substantial amount in duty will be entirely free. As an example, under the former legislation, an estate comprising $50,000, half of which represented the capital value of an annuity would be dutiable on the full amount. Under the amended act, the $25,000 annuity might be exempt, leaving the balance of the estate at $25,000. As there is exemption up to $25,000 on estates left to members of the immediate family, no duty at all would be assessed.

Halifax Building

The value of building permits issued in Halifax for the quarter ended Feb. 28, was more than double that for the same period in the previous year, and four times the value of permits issued for the same quarter three years ago.

NEW MANAGER

George Scott, C.A., has been appointed general manager of C. A. Gentles and Co., members of the Toronto Stock Exchange.



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Aluminium Ltd. Income Gains

Share Earnings Higher — Expansion Is Marked

Aluminium Ltd. reports a consolidated income in 1936 of more than $6 million, as against about $4.1 million in the previous year. After providing for all charges, there was a surplus of $2.3 million, compared with $628,760 the year before.

The marked expansion in the company's business last year also finds reflection in the consolidated balance sheet. At the end of 1936 the company had outstanding 626,737 shares of common stock, compared with 593,853 shares in 1935. Direct funded debt was reduced during the year from $17.2 million to $16.9 million. Bonds of wholly-owned subsidiaries declined about $67,000 to $1.6 million. Notes given for acquisition of a subsidiary company were reduced by $300,000 to $1.2 million. Accounts payable, which at the end of 1935 stood at $4.3 million have declined to $3.6 million.

Among assets, investment in plant increased during 1936 by nearly $1.4 million to $50.8 million. Investment in and advances to subsidiary companies now stand at nearly $10.9 million, as against $8.3 million a year ago. It is noted that the company has set up a reserve of $949.581 against these investments and advances. Inventories remain about the same, but accounts receivable advanced from around $4.7 million to $6.2 million. Cash on hand is up $660,000 at $2.6 million.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	6,031,203	4,085,380
Less: Exec. salaries	347,918	326,347
Legal fees	47,920	38,141
Directors' fees	19,521	20,847
Depreciation	1,730,592	1,483,906
Bond interest	1,045,782	1,096,708
Other interest	188,334	196,937
Income tax	246,563	5,914
Sub. losses	......	210,000
Finance expenses	84,389	77,823
Net profit	2,320,912	628,760
Previous surplus	902,319	273,559
Surplus forward	3,223,231	902,319
Working Capital		
Current assets	19,511,501	18,452,646
Current liabilities	7,216,575	7,225,893
Working capital	12,294,926	11,226,753

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in the April issue
THE CANADIAN CHARTERED ACCOUNTANT

Control Exercised Through the Medium of the Budget
Bankruptcies and Liquidations
The Burden of Obsolescence
Wider Horizons for the Accountant
Annual Statements of Life Assurance Companies
Court Case Respecting Accounting Records
Regulations re Metalliferous Mines Coming Into Production

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For full information please write to the headmaster.
Philip A. C. Ketchum, M.A., B. Paed.

Profits Higher For McKenzie

Net profit of $221,812, equivalent to nearly eight cents per share, is shown in the annual report of McKenzie Red Lake Gold Mines, for the fiscal year ended Dec. 31, 1936. This profit compares to per share earnings of about five cents the previous year.

Operating Statement
Years Ended Dec. 31

	1936 $	1935 $
Revenue:		
Gold	741,493	531,394
Silver	1,884	1,811
Less ship. & mktg. chgs.	10,987	7,999
Interest & exchange	1,982	1,362
Discount received	......	143
Sundry revenue	260	43
Total income	734,632	526,754
Less: Underground expl. & devel.	151,833	92,146
Mining	95,882	74,406
Mill operations	63,863	56,537
Admin. & surf. costs	45,091	44,752
H.O. salaries, etc.	11,774	8,569
Directors' fees	660	......
Travelling exp.	......	3,837
Legal	......	473
Share transfer	2,042	417
Net operating profit	363,487	245,617
Less: Depreciation	54,462	54,462
Pre-operat. costs	52,465	36,117
Prov. for inc. taxes	34,478	20,086
Net profit to surplus	221,812	134,952
Earnings per share:		
Common	$0.07649	$0.04654

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Torch of Social Credit Surrendered by Aberhart

From Our Own Correspondent

EDMONTON. — The Aberhart Government has handed over the initiative in making a start with a Social Credit system to a commitee of five members of the legislature.

The core of the Social Credit administration's troubles within its party lies in its failure to use the supposed power it had to pursue economic reforms along the lines of the Douglas theory.

At present after 20 months of office, the Aberhart Government is ready to surrender this unused power. The Government's Social Credit bill, amending the S. C. Measures Act, provides for a five-member committee, which will assume all responsibility for hiring experts. The first slate approved by caucus for this committee included Dr. H. K. Brown, a leading insurgent, R. E. Ansley, former party secretary, another leading insurgent, S. A. Berg, G. D. MacLachlan, and F. M. Baker. Only Baker represents the party wing loyal to Premier Aberhart.

Naturally, since the Government has not found an expert in the 20 months it has taken to look around, the honor of working on this committee is not sought eagerly.

In this atmosphere considerable sparring has been going on behind the scenes at Edmonton, with the exact terms of the Government's intentions regarding Social Credit in the three-month period allowed by its present supply resources, unknown.

Sterling Coal Has Good Year

A very satisfactory year will be reported, it is understood by Sterling Coal Co., Toronto. The annual report for the year ended March 31, 1937 will probably be available early in May.

Further progress has been made in redeeming 6% first mortgage bonds which become due Jan. 1, 1940. Working capital has also been strengthened although bond redemptions have made demands on cash. Substantial benefit is reported from the gasoline storage unit at Cobourg which was completed in Nov., 1935

Extremes Avoided In Plan for Limiting Profit of War Deals

(Continued from page 1)

tical alternative to the imposition of an excess profits tax to meet the end which the Government has in view.

The rate finally determined is almost certain to be drastic. It is already being rumored that it will run in excess of 70%, which is the highest tax for munition profits of which Parliament has heard from any country. British taxes are said to run at approximately that rate.

While the rate will be stiff, it is also to be expected that the basis of the tax will be narrow and specific. In other words, steel firms will be taxed severely only on the profits that they make out of steel supplied for munition purposes. The other departments of their business will be taxed simply at the normal rate.

The Government concedes that to make this policy effective involves some complicated administration. It believes, however, that the principle is sound and that the segregation of munition profits from industrial profits is not impossible.

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« EVENTS »
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Epsom, June 2
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June 30 to July 3
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Profit Possibilities for Investors 4.

Preferred Shares With Arrears Have Attractions in Prosperity

Settlements of Dividend Arrears Give Possibility of Substantial Fixed Income With Chances for Higher Values — Conversion Features May Also Provide Attraction

By C. W. STOLLERY

Preferred stocks have been described as neither flesh nor fowl.

The implication is that preference shares do not provide the safety of income of bonds, nor the possibilities of better things inherent in many common shares.

The fact that many preferred shares have fallen far in arrears of dividends and that better preferred shares have been refinanced recently at reduced dividend rates indicate the partial truth of the description. But it still is only part truth.

In cases where there are no securities senior to preferred shares, the latter have proved more secure investments than many bonds. A wide range of preferred shares of this type rank equally with good bonds in investment markets. Among such issues are Beatty Bros. first preferred, Goodyear Tire, Ogilvie Flour, Dominion Textile, International Milling, and so on into a lengthy list showing yields ranging from 4% to 7%.

Under present conditions, there are also many preferred shares having qualities more frequently found in common stocks. That is, they have possibilities or even probabilities of improving the income of the purchaser, or of increasing in value in a period of general prosperity. While such preferred stocks carry greater capital risks than more stable securities, the offsetting advantage is the possibility of gain.

The investor who is looking for possible profits in preferred shares is most likely to find them in issues with such qualities as these:

1. Large accumulations of arrears.
2. Priced below face value plus accumulations.
3. Participation in common stock earnings.

* * *

Promise of Improvement

Among the more promising preferred stocks with accumulated arrears are those on which earnings have been coming back strongly in the last year or two; or on which earnings are likely to improve further in the two years immediately ahead. A group of such shares is as follows:

Possibilities in Preferred Shares

		——Per Share——			
		Price	Arrears	Earnings	Yield
Preferred:		$	$	$	%
Abitibi	6%	80	34.50	...	..
Can. Cement	6½%	108	31.50	3.30	3.7
Gen. St. W.	7%	102	42.00	5.25	..
Ham. Bridge	6½%	90	29.25	3.50	..
Int. Metal .	6%	108	29.25	*	..
Massey-H. .	5%	71	31.25	d.58	..
St. L. Paper	6%	92	36.75	1.68	..
United Fuel	6%	55	34.50	†4.25	..
W. C. Flour	6½%	80	20.33	1.59	..

*1936 report not yet available.
dDeficit. †Estimated.

The group consists entirely of issues on which definite arrangements have not yet been made for settlement of arrears. Each has its own peculiar considerations, summarized herewith:

Abitibi 6%—With no earnings at present, and subject to reorganization of the company to terminate receivership, the chief attraction in the shares is the prospect of pronounced improvement in the newsprint paper industry. The preferred is junior to first mortgage bonds and subject to the company's need for additional senior capital. But it appears that a strong case will be made for preservation of the full value of claims of the preferred.

Canada Cement 6½%—Expecting to pay 4% on the $100 shares this year, the company still has not proposed settlement of arrears, although the refinancing of its bonds is expected to save about $1 a share for the preferred in 1937. More marked recovery in building would bring further improvement for the preferred shares.

General Steel Wares 7%—Earnings have recovered to a level indicating prospective payments for the preferred. In the last 10 years over 25% of the senior bonds have been retired. In view of the resulting improvement any settlement of arrears should mean substantial concessions to preferred shareholders, possibly in the form of equity securities.

Hamilton Bridge Co. 6½%—Pronounced improvement is reported officially in the prospective business for 1937. Although depreciation reserve and working capital are inadequate, only one or two good years would be necessary to allow rehabilitation of finances.

* * *

Dual Attraction

Int. Metal Industries 6%—The 6% preference is superior to the "6% series A preference" stock. Both carry the same dividend arrears. But the 6% preference is convertible into common stock two for one, while the 6% "series A" preference has a less favorable conversion feature. At present conversion is no attraction. The company's earning power is liable to rise sharply under favorable conditions, and recovered substantially in 1936, although the annual report has not yet appeared. The threefold eventual possibilities lie in income, settlement of arrears, and in the conversion feature.

Massey-Harris 5%—Although the shares have doubled in price in the last year and still have had no earnings, prospects of even normal farm production at present increased prices indicate substantial improvement in earnings. The large arrears, and the fact that the preferred is not callable under 125, indicate possible settlement favorable to buyers of the preferred. No dividends can be paid until $2 millions of bonds have been redeemed, but this is not regarded as a severe handicap because of the large potential earnings.

St. Lawrence Paper 6%—The rise of the shares already reflects a good deal of improvement in the newsprint paper industry. But the shares still have possibilities in connection with the large arrears which continue to accumulate.

United Fuel 6% — The company has accumulated earnings totalling over $11 a share for the preferred in the past four years, and appears able to pay a substantial return on the present price. Precise detail of the forthcoming plan to settle arrears will have an important bearing on the value of the preferred, which, however, does not seem likely to be depreciated.

Western Canada Flour 6½%—Improved conditions in the flour milling industry have been felt by the company, but not sufficiently to indicate early resumption of full dividends. The company's record, however, suggests that settlement of arrears should eventually be favorable to the preferred, and that the shares may pay a high return on the current price.

* * *

Reorganization Group

The foregoing preferred stocks all are subject to the uncertainty that definite proposals have not been brought forward for settlement of arrears. That arrears are likely to be of real value, however, is indicated by the potentialities in the following group of preferred stocks which carry equity rights:

Issues With Equity Interests

	——Per Share——			
	Price	Arrears	Earnings	Yield
Preferred:	$	$	$	%
Can. Bread, B ..	58	2.62½	2.87	4.3
Dom. Tar, 7% ..	111	†29.25	7.63	*4.5
Gt. L. Pap., A .	48	3.00	...	..
Int. Pap. & P., 7%	120	†40.25	5.52	*4.2
Simpsons, 6½% .	102	†21.50	6.20	*4.9

*On new 5% dividend.
†Settlement in equity securities.

Unusual features in all of the foregoing group arise from capital reorganization plans. Again, each issue has its own peculiar attractions.

Canada Bread B preferred—With par value of $50, but callable at 100, these shares pay cumulative dividends of $2.50 a share annually. Also, they stand to receive additional dividends equally dollar for dollar with the common shares. while the yield is moderate on the present price, the possibility of eventual cash payment of the small arrears and the participation with the common lends attractions to the stock.

Dominion Tar 7%—It is proposed to change these into 5% shares, but in exchange for this and for elimination of all arrears, holders would get $2 a share in cash and two common shares. The alternatives, both of which have profit possibilities, would be to cash in the common shares to bring the cost of the preferred to a substantial discount, or to retain the common and combine the fixed return with the equity possibilities.

Great Lakes Paper A preferred—The cumulative annual dividend is $2 a share which is not being paid at present. It seems probable, however, that improvement in the newsprint situation will eventually allow cash payment of arrears. The chief attraction in the shares is that they participate equally with the class B preferred and common shares in any payments above the cumulative rate, and combined with the accrual of the fixed dividend this gives a hedged investment in newsprint recovery.

Int. Paper & Power 7%—The proposed reorganization would give the investor a new $100 share of 5% preferred and a share of common stock for each 7% share. Also, the new preferred would be convertible into common 2½ for one. This issue therefore is another example of a modest rate of income but with possibilities of either greater income or value through the proposed new common shares.

Simpsons Ltd. 6½%—Even though the cash dividend is reduced to 5% under the plan to eliminate arrears, there is a reasonable return on the investment. The real potentialities for profit lie in the plan to issue one half class A and one half class B share to each preferred, in full settlement of arrears. This gives the holder the option of an immediate value which may be marketed to reduce the net cost of the preferred, or held with the idea of getting greater income or value with further business improvement.

The foregoing group therefore offers two strings to the investor's bow; actual or prospective fixed income, plus further profit-sharing possibilities.

* * *

Non-cumulative Issues

There are a few preferred shares on which dividends are non-cumulative that have possibilities either of substantial income or of improved value. Three such issues are as follows:

Canada Steamship Lines — With $50 par value, dividends are to be $2.50 a share annually, non-cumulative until 1942. Under pre-depression conditions the company would be able to cover the dividend comfortably. While there may be no immediate return, the current price of $15 a share leaves scope for unusually large income if the dividend is paid and for improved value.

Price Bros. & Co.—The new 5½% preferred, quoted around 77, only becomes cumulative as to dividends from Jan. 1, 1939. However, potential improvement in earnings indicates a possibility of high returns.

Winnipeg Electric—The preferred dividend rate is 4% up to 1942 and 5% thereafter. The dividends are non-cumulative. While the company has competition from municipal power, there is a possibility that dividends will eventually be earned and paid on the preferred shares, with substantial returns to the investor at present prices.

Descending lower in the scale, a number of preferred shares actually sell on the market for less than the amount of accumulated arrears per share. Four such issues are as follows:

Arrears at a Discount

		— Per Share —	
		Price	Arrears
		$	$
Alberta P. Grain ...	7%	38	47.25
N. Bawlf Grain	6½%	33	40.62½
Can. Vickers	7%	49	50.75
Eastern Dairies	7%	19	29.75

None of these four firms has shown impressive earnings in the past for the preferred shares, which accounts, of course, for the very heavy discounts in the prices. These four issues are unusually risky but may prove of worth eventually in diversified portfolios.

This is the fourth in a series of articles on profit possibilities for investors. The fifth article dealing with common stock leaders will appear in The Financial Post next week.

Montreal Vetoes Municipal Power

From Our Own Correspondent

MONTREAL.—Perennial plans of the City of Montreal to erect a municipal power plant have again been deferred.

Each year for several years past, the question has come up before the city council for consideration. The intention was to utilize the flow of the aqueduct at Ville La Salle, but the aldermen have voted it down because engineering opinion holds that the cost of the power production would equal or exceed that of buying from private companies.

Goodyear Tire Sales Advance

Rising Costs Offset by Early Buying of Materials

In letters accompanying April 1 dividend cheques, A. G. Partridge, president of Goodyear Tire & Rubber Co. of Canada, reports that sales show an increase for the first three months of 1937; that increases have been shown in practically all the company's lines; and that the company is protected in connection with recent advances in prices of its major raw materials.

General business, says Mr. Partridge, continues to show a definitely upward trend. The plant at New Toronto, he says, is operating at a higher capacity than at this time a year ago.

Explaining the effects on the company of rising commodity prices, Mr. Partridge states that the two of the principal raw materials used by the company are rubber and cotton. Market prices for these commodities have increased during the past 12 months, and this rise in price, he says, has contributed to an increased cost of production.

"A year ago," he states, "rubber was selling at 16⅛ cents per pound and it is now currently quoted at 24¾ cents per pound, an increase of 53.5%. Cotton prices have increased 23.6% in the same period. Fortunately," he adds, "the company has a forward position of raw materials on hand or on order at prices well below the current market."

After covering preferred dividends about five times over in 1936, the company had net profits equivalent to $4.73 a share on the common stock, compared with $4.12 on the common in 1935.

Brewing Corp. Invests in U.S.

Buys More Peerless Stock for Expansion at Cleveland

Further investment in shares of Peerless Corp., Cleveland, has been made by Brewing Corp. of Canada.

In July, 1933, Brewing Corp. received 25,000 shares of Peerless Corp. in return for the rights to use its trade names in the United States. Brewing Corp. of America was incorporated as a wholly-owned subsidiary of Peerless Corp. At present E. P. Taylor, president of Brewing Corp. of Canada, and Lt.-Col. Innes Carling, London, are directors of Peerless Corp.

The plant of Peerless Corp. is at Cleveland, Ohio, and has a capacity at present of 250,000 bbls. per annum. This capacity is being increased to 400,000 bbls. a year. Sales from this plant for the six months ended Mar. 31, 1937, are estimated at 1,500,000 cases, which makes the company an important factor in the brewing industry of the United States.

So far Brewing Corp. has not received any dividends on its investment in Peerless Corp. stock but it is expected that the venture will prove profitable.

Carling's beers and ales have been the only Brewing Corp. product which has been distributed from the Cleveland plant.

The tax of five cents a bottle imposed in Manitoba against brewers in other provinces has influenced Brewing Corp. to withdraw from the Manitoba market. The company formerly had a subsidiary, Kiewel Brewing Co., operating in Manitoba, but this was sold in 1936. It is understood that the company does not consider the Manitoba market important but that it could make a profit on shipments to that province if sales could be made on the same basis as Manitoba breweries. Reports from Winnipeg indicate that the matter of this tax will be probed by Manitoba Legislature.

Sales of Canada Bud Higher in First Quarter

A considerable increase in sales has been experienced by Canada Bud Breweries in the quarter ended Mar. 31, 1937, according to information given to shareholders at the recent annual meeting. The company was able to show a 17% sales increase in the first six months of 1936.

Shareholders elected Joseph Hobson, Toronto, a director, to replace P. C. Mulholland.

CROWN TRUST COMPANY
EXECUTORS TRUSTEES AGENTS
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CROWN TRUST COMPANY
wishes to announce the opening on April 15th, 1937, of a Toronto Office at 80 King Street West, where a general Trust Company business will be transacted. J. RAGNAR JOHNSON has been appointed Manager.

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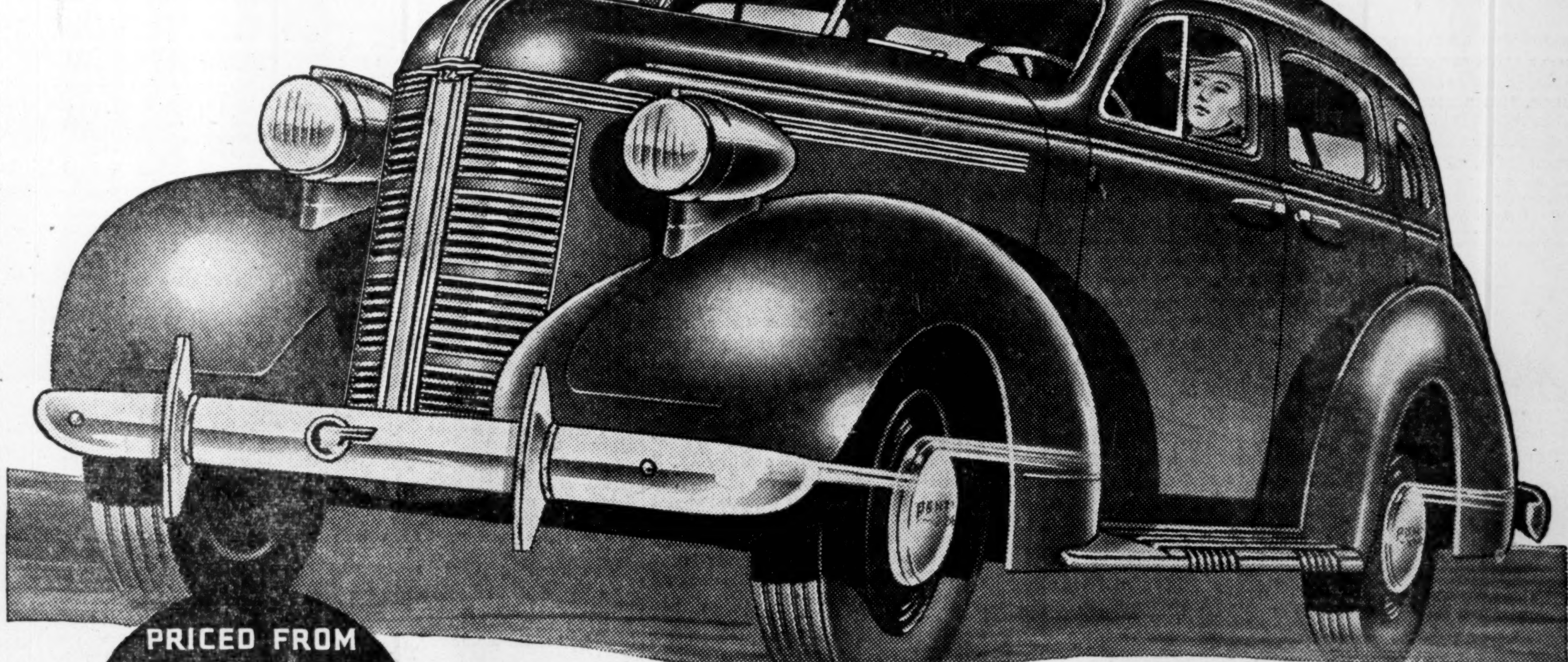

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P-317

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IT'S Spring, again! Time for new footwear! Time to put spring in your stride with a pair of Dack Shoes. Made in the Dack tradition by Dack master craftsmen, reflecting the latest trend in West-End of London styling, Dack Shoes give you the advantages of the finest leathers, perfect fit and lasting comfort. Because of long wear, they represent true economy. Prices range from $9.75 up.

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DS-57

SHOPS IN PRINCIPAL CANADIAN CITIES

Investment Trends

Stock Market Prices Within Testing Range

Break From Recent Limits May Indicate Trend For Immediate Future; Hedging May Be Advisable in Paper Securities

Movements of stock market averages indicate that prices are within a testing range between the low points reached March 22 and the high points for the year established earlier in March. An exception is the Montreal Stock Exchange industrial share index which has risen into new high ground above 120, largely under the influence of rising prices for paper stocks.

The important point is whether prices break out of this range in an upward or downward direction. Either would be taken to indicate considerable further movement in the same direction as the break. Pending such developments, market analysts suggest that there is more likelihood of further temporary advance than of immediate substantial recession in prices.

The projected 20% tax on dividends and interest paid to outsiders on American investments may have important influence on Canadian securities if it is adopted. European funds for investment on this continent would be attracted by the relatively lower Canadian tax of 5% on non-resident investment income.

Paper Profits

There is no doubt that better times are at hand for newsprint paper firms in which Canadians have invested many millions. Reasonable returns on senior securities seem to be in sight in most cases. However, the rise of newsprint securities has resulted in values for some common shares which seem to discount the future rather liberally, in view of the moderate increase in price for 1937 and considering that wages and other costs are expected to increase this year. A London comment is that profits may be only moderately higher in newsprint in 1937 but that next year's earnings may be really satisfactory.

For those who wish to follow newsprint shares by investing on top of the recent rise, the safest procedure is to buy senior securities with equity interests such as Consolidated Paper bonds with stock, International Paper & Power preferred, or Great Lakes Paper preferred.

* * *

Brewery Costs

The rise of barley of malting grade to the highest level for many years, pointed out in the Canada Malting report, calls attention to the rising costs of materials used by brewers. Imported hops have risen about 25% in the past year. Barley and malt have risen even more. Brewers rice has also advanced steadily.

Breweries are affected unfavorably by rising costs because the prices of their products are stabilized. Rising consumption of beer should tend to offset the adverse effects of higher costs. All in all, however, the outlook does not seem to indicate substantial growth of brewery profits.

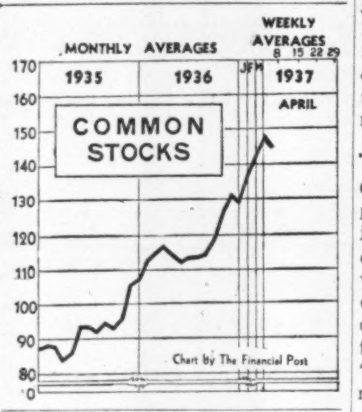
* * *

C. P. R. Possibilities

"The lack of symmetry in recovery has been particularly hard on the railways," says the current Royal Bank letter. While the physical volume of Canadian production is 90% of 1929, carloadings are only 70% of those in 1929. Volume is only 64% of 1929 in the most lucrative traffic, namely miscellaneous loadings and less than carload lots. The letter notes that it is in these classifications that truck competition is greatest.

That is a brief summary of one of the big problems behind C.P.R. shares. The bank's comments on the carloading prospects are equally succinct. It is noted that while carloading has not kept abreast of general business recovery, figures for the first two months of 1937 indicate that more than half the lost ground has been recovered; that increased farm purchasing power will cause a quick expansion of the more profitable carloadings and in conclusion, that a good crop this year will be reflected in railway earnings.

Saint John, N.B., has decided to have a survey made of its financial set-up and administration with a view to modernization.



B.A. Oil Taxes Equal Dividend

A. L. Ellsworth Outlines Results of 1936 Operations

British American Oil Co. reports profits including dividends drawn from the American oil-producing subsidiary of slightly over $1.41 a share for 1936. Net profit from Canadian operations was approximately 95 cents a share compared with $1.10 a share in 1935. However, net income received from the U.S. subsidiary, after income tax, amounted to more than 46 cents a share and was the first income so drawn.

The chief change in the balance sheet is investment of some $876,000 in new plant, service stations and refining equipment. The amount of outstanding debentures was reduced by $325,000 to $7.8 millions. The chief factor increasing current liabilities at Dec. 31, was the bonus dividend of 20 cent a share payable Jan. 2, 1937.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Canadian earnings ...	4,782,871	5,147,426
Less: Debenture int. .	302,203	315,737
Depreciation	1,257,365	1,292,374
Income tax	557,853	515,180
Exec. salaries, legal fees	158,915	128,395
Directors' fees	12,100	11,100
Net profit (Canada) .	2,494,435	2,884,676
Add: Divs. (U.S. co.) .	1,407,000	......
Less: Inc. tax thereon	194,445	......
Total	3,706,990	2,884,676
Less: Dividends	2,622,642	2,098,114
Surplus for year	1,084,348	786,562
Add: Prev. surplus ...	8,732,195	7,996,420
Less: Tax adjt.	117,968	50,787
	9,698,575	8,732,195
Working Capital		
Current assets	11,856,571	10,804,657
Current liabilities	3,039,419	2,467,206
Net working capital ..	8,817,152	8,337,451

While British American Oil Co. had record earnings exceeding $1.41 a share in 1936, there was a decline in earnings from Canadian operations. Reporting that the company's sales increased more than proportionately for the Canadian oil industry as a whole in 1936, A. L. Ellsworth, president, states that reduction in Canadian earnings was partly due to the greater weight of taxation. The company, he says, paid taxes in 1936 exceeding $2½ millions, equivalent to 98 cents a share; substantially the same amount as the $1 paid in dividends to shareholders.

Investment Notes

Great West Saddlery—Opposition to the proposed reorganization may develop when the plan comes up for consideration of shareholders on May 3. Some holders of the first preferred stock feel they are being asked to give up too much in proportion to the second preferred. Incidentally, notice has been given by the company that the transfer books will be closed from April 15 to May 3, so unregistered holders who may wish to vote should arrange prompt transfer of their shares.

* * *

Dome Holdings—Reported shareholdings of officials are as follows: Jules S. Bache, president and treasurer, 33,000 shares, in addition to indirect holding of 46,100 shares through Richmill Bahamas Co.; George C. Miller, first vice-president, 8,876 shares; Morton F. Stern, second vice-president, 100 shares; Alexander Fasken, secretary, 1,258 shares; Dwight B. Lee, director, 5,000 ; G. H. Harris, director, 4,000 shares; Frank E. Maulson, director, 1,000 shares; Frederick Burnett, director, 500 shares; Simon N. Stein, director, 1,000 shares; J. H. Stovel, third vice-president and general manager, 200 shares.

* * *

Canadian Car—Reports that the German Government had agreed to pay $10.5 millions upon claims growing out of the U. S. war sabotage claims, in which Canadian Car is vitally interested, had very little effect upon this stock. On several occasions it has been reported that the claim was settled, so that the "war claim" has less effect on the market than was formerly the case.

* * *

Fraser Companies — This company's common stock sold off this week on the report that the company was going to carry out additional financing. It is likely that the company will raise new money for the construction of a pulp plant on the Miramichi River.

* * *

Canada Cement—Opening of the Port Colborne plant April 1 was somewhat earlier than usual and is regarded as indicative of a more active season than last year.

* * *

Int. Paper & Power—In hearings at Washington regarding the proposed reorganization, J. M. Landis, chairman of the U.S. Securities & Exchange Commission, suggested the plan involves potential dilution of the common stock. H. R. Weaver, vice-president and treasurer of the company, commented that he did not think the price of $25 a share at which the new stock would be available to holders of purchase warrants would fix the prices at which the stock may be sold in the future. R. J. Cullen, president, increased his holding of preferred from 900 to 1,400 shares in February, and J. S. Brooks, Jr., a director, acquired 100 preferred shares.

* * *

W. D. Beath & Son—The Toronto plant has been handling an increased volume of business in the last few months.

* * *

Ford of Canada—Reduction in holdings from 6,600 shares in 1935 to 3,800 shares at the end of 1936 is shown by American European Securities Co.

* * *

Hamilton Bridge—In submitting the company's annual report, James Playfair, chairman of the board, states the working capital will need further substantial building up before directors will be able to consider payments on arrears of preferred dividends. Unfinished orders on hand at the end of 1936 amounted to approximately the total volume of business transacted during the year. Prospects for new business, it is stated, are very encouraging and indicate that there should be a continuous improvement in operating results in the current year.

* * *

Canada Dry—R. W. Moore, president, decreased his holdings from 2,500 to 2,200 shares in February.

* * *

C.P.R.—W. M. Neal, vice-president for western lines, decreased his holding of ordinary stock from 210 to 160 shares in February.

* * *

Int. Nickel—Britton Osler, K.C., Toronto, holds 10,000 shares directly and has proprietary interest in 13,732 shares through a holding company. The latter block was reduced 2,000 shares in February.

* * *

McIntyre Porcupine Mines—R. S. McLaughlin, Oshawa, a director, in Dec., 1936, held 100 common shares directly. Through a holding company in which he has proprietary interests there was an acquisition of 5,000 shares, increasing the indirect holding to 15,000 shares.

* * *

Abitibi Power & Paper—On the 5% bonds, interest coupons will be in arrears 27½% by June 1. In claims under reorganization, bondholders will seek 100 plus this 27½% and also simple interest at 5% on deferred coupons; total about 131%.

The $1 million of 7% preferred is situated nearly as favorably as the bonds. The 6% preferred now has claims for $134.50 a share including dividend arrears.

If the preferred holders are successful in upholding their claims in substantial measure, there would be no book equity left for the common. It is understood that tentative reorganization proposals would give next to nothing to the common.

Reorganization Considered

Several plans of reorganization for Langley's Ltd., Toronto, with a view to liquidating arrears of preferred dividends have been considered by the board of directors, G. S. Langley, president, told shareholders at the annual meeting on March 31. Further consideration to this question will be given by directors immediately.

Abitibi Looks Up

Production Expected to Gain 20% in 1937— Reorganization Possible in Near Future

Prospects of improvement for Abitibi Power & Paper Co. are evident in the fifth report of the receiver and manager, G. T. Clarkson, for the year 1936.

Among the receiver's remarks, two of the most important are these:

1. "With a substantial increase looked for in demands for newsprint paper during 1937, present expectation is that the sales of Abitibi and its subsidiaries will exceed 425,000 tons in such period."

2. "Certain tentative plans of reorganization have been drawn up for discussion and consideration when the time becomes appropriate to do so . . . Expectation is that it will be possible in the near future to put forward a plan for reorganization of the company's affairs."

Production of over 425,000 tons of newsprint in 1937 would amount to an increase of about 20% over the 1936 output. This compares with an actual increase of approximately 23% in production in 1936 on which earnings were expanded over 81%.

Volume, Prices and Costs

The possibility of increased earnings from another 20% gain in production is allied directly to the price of newsprint and costs of production.

Mr. Clarkson observes that the general U. S. contract price for newsprint for 1936 was $1 a ton more than in 1935. He adds that "costs to Abitibi and its subsidiaries of pulpwood and supplies used in manufacture, together with freight charges . . . were on a relative basis approximately $100,000 higher in 1936 than in 1935." For 1937, he comments, the base price for newsprint is $1.50 a ton more than in 1936. "Costs of manufacture will be higher in 1937 than in 1936," he adds, "but the extent of the increase in such costs cannot be accurately determined at the date (March 25) of this report."

The deductions that may be drawn from this are:

1. If 1937 costs do not rise more than $1.50 a ton, increased production should allow substantial improvement in earnings.

2. Wage contracts to be rearranged by May 1, which are not discussed in the receiver's report, may have an important bearing on the extent of any rise of costs this year.

Reorganization Developments

In connection with reorganization of the company, Mr. Clarkson outlines developments as follows:

"It was necessary to rearrange with the province (Ontario) certain of the timber rights and power concessions of the company and also to adjust certain claims . . . In addition it was deemed necessary to obtain engineering reports relative to the company's properties and information as to what improvements can be made thereto with advantage—to determine what amount of new money must be obtained to provide the company with funds to make such improvements and to give it adequate working capital; also to ascertain the terms and conditions upon which such new money could be secured."

Mr. Clarkson says that the engineers' reports and estimated costs of improvements have been, for the most part, completed; that substantial progress has been made toward rearrangement of timber and power rights with the province of Ontario; and finally that it is expected it will soon be possible to put forward a plan of reorganization.

In reporting improvement of $478,450 in the net working capital of the receivership in 1936, it is pointed out that this was effected after payment of $2 millions in 1936 in settlement of Abitibi's debt for purchase of shares of Thunder Bay Paper Co. The liability was formerly carried at $2,727,916, and this was settled for $2 millions plus $40,918 accrued interest. The payment was liquidated out of 1936 earnings, which otherwise would have increased working capital more substantially.

Sulphite Operations

In connection with operations of the bleached sulphite pulpmill at Smooth Rock Falls, Mr. Clarkson reports an increase of 15,536 tons in 1936 production. The New York price of bleached sulphite fell from $55 to $50 a ton in March, 1935, and was increased to $52 on July 1, 1936. In January, 1937, the price rose to $54 a ton and a price of not less than $58 a ton is expected for the three months starting April 1, 1937. Improvement in revenues from the sulphite mill therefore appears assured for 1937.

Statements showing results of operations for Abitibi and subsidiaries for 1936 take 33 pages of the receiver's report. Comparative figures, including profits and losses of wholly-owned subsidiaries and costs of carrying idle properties, appear on page 8.

Highlights of Analysis

Highlights of the mass of detail in the receiver's report include:

Expenses for the year include $53,910 spent in putting the Port Arthur and Ste. Anne mills in shape for operation, although the latter has not yet been reopened.

Construction of an 8½-mile flume to carry pulpwood to the Ste. Anne mill has been started, to be completed by August, 1937, at a cost of some $250,000.

The 1936 production of 355,274 tons of newsprint was manufactured, 176,733 tons at the Iroquois Falls mill; 82,148 tons at Sault Ste. Marie; 43,686 tons at Port Arthur; 52,707 tons at Pine Falls, Man. Both the Pine Falls and Port Arthur mills were increased from a 1-machine to a 2-machine output in 1936.

Included in production were sales of 62,612 tons to other manufacturers in 1936 compared with 35,813 to other producing firms in 1936; and in 1937 it is expected that higher volume of direct contracts with customers will reduce the sales to other manufacturers.

Results for wholly-owned subsidiaries, for which separate figures are supplied in addition to their inclusion in the Abitibi totals, show:

Manitoba Paper Co. had a profit, before depreciation, of $247,138, contrasting with a loss of $31,843 in 1935.

Ste. Anne Paper Co., shut-down, cost $139,715 in 1936, compared with $140,114 (including $50,000 write-down of inventory) in 1935.

Abitibi Electric Development Co. had operating profit of $11,286 compared with $11,342 in 1935.

Kaministiquia Power Co. showed an operating profit of $299,257 compared with $23,875 in 1935.

Mattagami Railroad Co. has operating profit of $21,572 in 1936, against $23,875 in 1935.

Thunder Bay Paper Co. (Port Arthur mill) has a loss before depreciation of $62,734 in 1936, compared with a 1935 loss of $221,947.

1936 Gains for Abitibi Revealed in Statistics

Comparative figures on operations of Abitibi Power & Paper Co. under receivership show pronounced gains in almost every direction in 1936 over 1935.

Statistical comparison shows that the gain of 81.3% in the net balance earned toward depreciation and bond interest in 1936 was due largely to an increase of 34.5% in dollar sales while operating, administrative and general expenses advanced only about 25%. The more pronounced increase in sales than expenses is attributable largely to the rising volume of production also shown in comparative data as follows:

Comparative Results Abitibi Power & Paper Co.

	1936	1935	Increase %
Newsprint production	355,274 tons	289,096 tons	22.9
United States price per ton.....	$41–$42	$40–$41	2.5
Sulphite pulp production	61,485 tons	45,949 tons	33.9
United States price per ton.....	$50–$52	$55–$50	...
Sales of newsprint, pulp..........	$14,662,751	$10,906,209	34.5
Operating and general expenses...	$12,052,486	$9,357,033	25.0
*Earnings for year	$2,185,189	$1,205,186	81.3
*Earned on bonds	4.53%	2.50%	81.3
Receiver's earned balance	$5,443,537	$3,195,675	70.3
Net working capital	$2,241,301	$1,762,851	27.1

*Before allowing for depreciation, which was formerly $1.3-$1.6 million annually.

W. S. Morden Estate

Assets Mostly in Hillier Investments Ltd., Private Holding Company

An estate valued at $530,306 was left by the late Wilson Saunders Morden, K.C., Toronto barrister, former vice-president and director of the Chartered Trust & Executor Co., president of Canada Talc Co. and Federal Fire Insurance Co. and director of Canadian Paperboard, Consolidated Fire and Casualty Co., General Brock Hotel Co. and George J. McLeod Ltd. The late Mr. Morden was president of the Canadian Manufacturers' Assoc. in 1935-36.

Although the estate amounted to $530,306, much of it is in Hillier Investments Ltd., a private investment and holding company. The 1,955 shares of stock in this company among the assets of the estate are given a value of $344,080, or $176 a share. Also listed among the book debts is $87,051 due from Hillier Investments Ltd. Out of the total estate, $431,131 was investment in, or loans to, Hillier Investments, the actual assets of which are not available.

Holdings of 50 shares of Federal Fire Insurance stock, of which Mr. Morden was a director, are given a value of $43 a share, or a total of $2,150, and 250 shares of Consolidated Fire and Casualty Insurance Co., of $10 par value and on which $4 a share had been paid, are valued at $2 a share, or $500.

Two hundred shares of Canada Talc Co. stock are included in the inventory at $40 a share, making a total of $8,000. Mr. Morden was president of this company. His other directorates were General Brock Hotel Co., in which he held one share which was not given any value, and George J. McLeod Ltd., a private publishing company in Toronto.

Consumers' Gas Important

Most valuable single item in the estate, with the exception of Hillier Investments Ltd., was 100 shares of Consumers' Gas Co. stock having a value of $20,400. Other holdings of well-known companies included 100 shares of Zimmerknit common, valued at $550 but on which $169 was still owing; 50 shares of Chartered Trust & Executor Co.; 100 shares of Fanny Farmer Candy Shops, and 200 shares of Gypsum, Lime and Alabastine (Canada), all valued at approximately current market levels.

Speculations That Lost

Evidently at one time Mr. Morden was not averse to taking a chance. Among the stockholdings which are given no value are 8,000 shares of Consolidated American Oil Cos. Stock of this company is believed worthless and in 1926, 600 shares sold for $2 for the lot. Murray, Mogridge Mining Co. properties were foreclosed some years ago and the stock is believed worthless but the estate includes 2,000 shares.

Other investments which are listed as of no value included: 32,000 shares and $300 in 7% bonds, due Aug. 1, 1910, of Rossland White Bear Mining Co.; 12 shares and $500 in 7% bonds, which matured in 1908 and 1909, issued by Manitou Fish Co. of Toronto; 500 shares of Tar Island Oil & Gas Co.; and $150 in 7% bonds, due May 1, 1907, of Consolidated White Bear Mining Co.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	286.7	228.8	73.1	142.4
Weekly Figures, 1937:												
Mar. 4 ..	167.1	37.1	123.0	249.7	79.4	191.9	139.9	210.4	610.9	241.9	73.3	148.2
Mar. 11 .	169.3	38.5	128.3	249.3	80.4	191.4	141.0	216.2	631.8	245.4	72.4	149.5
Mar. 18 ..	166.9	37.8	126.0	244.8	81.8	188.4	144.2	211.9	623.2	242.2	70.4	147.1
Mar. 25 ..	167.4	41.2	126.7	235.9	80.7	186.2	138.8	209.4	602.3	235.4	68.3	143.2
Apr. 1 ...	170.6	46.7	127.3	239.3	81.2	187.2	139.1	215.1	603.2	237.4	67.7	143.7

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Apr. 6	180.59	150.59	191.06
Apr. 5	181.63	150.99	193.18
Apr. 3	179.70	150.12	193.41
Apr. 2	178.94	150.29	195.92
Apr. 1	181.27	149.57	197.80
Mar. 31	180.50	151.33	198.38
Month ago ..	187.37	154.68	210.42
Year ago ...	137.08	128.11	134.94
High, 1937 ..	187.67	168.59	215.36
Low, 1937 ...	163.39	145.53	193.18

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Apr. 6	83.2	121.4	108.6
Apr. 5	83.9	122.2	109.5
Apr. 3	83.4	120.9	108.4
Apr. 2	83.1	119.5	107.4
Apr. 1	83.4	121.5	108.8
Mar. 31	84.0	120.4	108.2
Month ago ...	87.7	118.0	107.9
Year ago	71.6	76.4	74.8
High, 1937 ...	92.5	122.2	109.5
Low, 1937 ...	83.1	107.8	101.3

Reinhardt Stock On Toronto List

The 177,159 shares of no par value common stock of Reinhardt Brewery Co. have been listed on the Toronto Stock Exchange.

The company operates a brewery in Toronto, selling its products through liquor control board stores and brewers' warehouses in Ontario.

Officers and Directors — J. E. Davies, pres.; H. E. Davies, vice-pres.; C. I. MacNeill, sec.-treas.; L. J. Heit, H. W. Shapley, K.C., J. P. Patterson, J. B. Taylor, all of Toronto.

Stock—	Author.	Outstand.	Par
Common ..	250,000 sh.	177,159 shs.	n.p.v

Working Capital

	Jan. 31, 1937 $	Oct. 31, 1936 $
Current assets	154,178	181,584
Current liabilities	38,022	37,470
Working capital	116,156	144,114

Profit and Loss Account
11 months ended Jan. 31, 1937

	$
Sales	702,986
Less: Cost of sales	321,665
Gross profit	381,321
Add: Sundry revenue	3,823
Total income	385,144
Less: Selling expenses	218,551
General expenses	38,908
Depreciation	41,335
Income taxes to Oct. 31, 1936 ..	11,455
Profit for period	74,895
Earned per share	$0.42
Sales—Years ended Feb. 28—	
1935	$582,693
1936	755,981
1937	*748,985

*Sales for February, 1937, estimated.

Trustee to Purchase Nat. Utilities' Bonds

Chartered Trust and Executor Co., as trustee for the 20-year first mortgage 6% bonds of National Utilities Corp., which is a subsidiary of British Columbia Electric Railway Co., is calling for tenders for sale of $11,500 of bonds to the sinking fund.

GOLD MINING IN NORTHWESTERN QUEBEC

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Devoted to a comprehensive survey of gold mining in Northwestern Quebec, the current issue of our quarterly publication "Investments" sets forth in detail the remarkable expansion of this new field, gold production of which increased from $76,000 ten years ago to $23,000,000 in 1936.

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Prompt reinvestment of surplus income avoids loss of interest resulting from idle funds. Our April Review and Bond List will aid in selecting suitable securities. Yields vary from 3.25% from Dominion of Canada Bonds to over 6% from Corporation Bonds.

Copy of our Review and Bond List will be forwarded upon request.

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We wish to announce the appointment of

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(formerly of Rutherford Williamson & Co.)

as General Manager of this company.

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Bond Markets

Trading Is Featured By Newsprint Issues

Market For High-grade Government Issues Continues Soft — Beauharnois Power Bonds Record Sharp Advance

Prices of high-grade government bonds continue to decline both in the Canadian and U. S. markets, and, as would be expected, long-term issues are suffering most.

Expectations are that prices may rebound from present levels. In this connection it is pointed out that short term money rates continue at a low level and bank reserves are large.

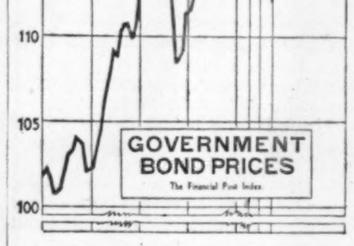
The Dominion Government secured a lower rate on its $25 millions of treasury bills, sold March 31, than on the issue sold on March 12.

The U. S. Federal Reserve Board has announced that it will buy government bonds in the open market to maintain "orderly conditions." It is stated that the proposed purchases will not be designed to peg government securities, but rather to iron out sharp price fluctuations. The action will also facilitate "orderly adjustment" of Federal Reserve member banks to the 16 2/3% increase in deposit reserve requirements effective May 1. Much of the selling in New York has come from banks desiring to build up their reserve position to meet the new requirements.

Canadian chartered banks increased their holdings of government bonds during February. The Bank of Canada increased its holdings slightly in February, but during March was a seller of government bonds to the extent of $9 millions.

Newsprint Bonds

Newsprint bonds have again been the feature of the Canadian bond market, sharp advances being recorded by most issues. Demand from speculators and investors alike has been marked as a result of announcement of a base price of $50 a ton for newsprint in the first half of 1938.



Abitibi 5's have advanced 12½ points to 108½. Like other newsprint companies Abitibi has reported sharply higher earnings in 1936. Consolidated Paper 5½'s have advanced eight points to 104½. These two companies stand to gain more than others from the increased demand and higher prices for newsprint since they are the only companies with large idle capacity.

Minnesota and Ontario Paper 6's have advanced 11½ points to 82.

* * *

Road to Recovery

In reviewing the present economic position the April letter of A. E. Ames & Co. has the following to say:

"We are as yet far from what should be regarded as a high level of prosperity but, for the intermediate term at least, it is probably not an exaggeration to say that, as the period of recovery lengthens, the uncertainties of the future grow more pronounced than in most comparable phases of business recovery in the past. Because of the depths of the depression to which we descended, general recovery has been more rapid—so rapid in fact that many former relationships remain distorted.

"Thus a fairly prosperous East is in contrast to an economically dependent West. Because of Government intervention the future of interest rates, which is important alike to businessmen and investors, is difficult to estimate. Because of interference with foreign exchange relationships and because of the extent to which rearmament may proceed, maladjustment may follow in the wake of rising commodity prices.

"In these and in many other directions powerful new forces are at work. There are obvious elements of strength in the economic situation but in the fifth year of recovery it is also evident that uncertainty and instability are still present and that changing interest rates, commodity prices, wages relationships and government policies are not making the road to prosperity a clearly-defined one."

* * *

Saskatchewan Bonds

In presenting his budget to the Saskatchewan Legislature, Premier W. J. Patterson disclosed some interesting facts in regard to the distribution of the $125 millions of bonds which the province has outstanding.

The largest owner of Saskatchewan bonds is the Government itself which holds $13.5 millions in sinking funds, teachers' superannuation account, workmen's compensation board funds and other trust accounts. Municipalities of the province through their sinking funds hold $9.5 millions. While there is no definite record, he estimates that there are between $30 and $40 millions of Saskatchewan bonds owned by the Government, municipalities and individuals within the province.

The Premier also revealed that life insurance, trust and investment companies hold substantially fewer Saskatchewan bonds than generally thought. Not more than $5 millions of Saskatchewan bonds are held by Canadian companies. American insurance companies operating in Canada own a considerable amount, but in all only a small percentage of the total.

The average coupon rate on Saskatchewan bonds is 4.75%.

* * *

Hydro Bonds

Quebec public utility issues have also been active, high-grade issues such as Saguenay Power and Shawinigan recording slight gains.

Beauharnois Power 5's have advanced 6¾ points to 60½. Expectations are that Beauharnois will find additional markets for its output in the not too distant future. Rumor has it that Montreal Light, Heat and Power may take additional power in place of energy at present purchased from Shawinigan Water and Power Co. Shawinigan's requirements for the territory east of Montreal are increasing.

Maclaren-Quebec issues have also advanced sharply. While no information is forthcoming from official circles it is suggested that the Ontario Government may make a reserve contract with the company.

* * *

Bond Index

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Apr. 6	111.64	3.503	Apr. 6	114.38	3.314
Apr. 5	111.64	3.503	Apr. 4	114.40	3.313
Apr. 3	116.60	3.505	Apr. 3	114.48	3.306
Apr. 2	111.60	3.505	Apr. 2	114.51	3.304
Apr. 1	111.61	3.502	Apr. 1	114.23	3.327
Mar. 31	111.79	3.490	Mar. 31	114.15	3.335
Year's	116.81	3.026	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

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CANADIAN INVENTOR APPLYING for patents on new device for raising sunken vessels. Marine officials who have seen plans claim it is practical. Enquiries solicited from men with money who can finance a company to recover lost treasures from the sea, or buy the patent rights. Box 41, The Financial Post, Toronto.

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WANTED PRIVATE FUNDS AT 4% TO establish new construction company and provide mortgage for the construction of 100 modern homes in North Toronto. Box 39, The Financial Post, Toronto.

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Will Not Repudiate Montreal's Debt.

From Our Own Correspondent

MONTREAL. — Montreal's debt will not be repudiated, but it is the intention of the city to consult with outside experts in an effort to lighten the load of interest charges.

Proposal to write a clause in the Montreal bill providing for conversion of the city's debt was turned down on Mayor Raynault's suggestion pending the promised provincial survey of municipal indebtedness.

Company Reports

Dominion Coal

Dominion Coal Co. reports a net profit in 1936 available for dividends of $489,896 as against $503,093. The tonnage of coal sold during the past year was 4.2 million tons, compared with 3.8 million tons in 1935. While the gross income was somewhat higher, provision for debt and other charges left net profits at much the same level as in 1935.

Dominion Coal's balance sheet at the end of 1936 shows a reduction of $532,463 in funded debt. On the other side of the statement, property account increased by $263,172, representing the purchase of additional rolling stock. Investment in and advances to Dominion Rolling Stock Co. increased from $75,040 to $373,691. Inventories, trade accounts receivable and other accounts were higher, while the cash position showed a relatively substantial improvement.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	2,449,395	1,699,532
Less: Springhill rental	30,000	30,000
Deprec., S. F., etc.	1,425,000	730,000
Debt interest	414,499	436,439
Income tax	90,000	......
Net profit	489,896	503,093
Less: Pfd. dividends	360,000	360,000
Surplus	129,896	143,093
Previous surplus	*456,150	404,257
Surplus forward	677,246	547,350

*After $91,200 dividend on preferred to Dec. 31, 1935.

Working Capital

	1936	1935
Current assets	5,129,190	4,350,618
Current liabilities	930,348	962,729
Working capital	4,198,842	3,387,889

Dosco

Dominion Steel and Coal Corp. reports consolidated gross income in 1936 of over $1.4 million, an increase of about $165,000 compared with the year before. There were only minor changes in interest charges, depreciation and depletion, leaving the profit for the year at $258,124. This was practically equivalent to interest on the income bonds which are now 4.08% in arrears.

The balance sheet shows a reduction of $130,000 in funded debt. An issue was made of $800,000 first mortgage eight-year serial bonds of the Seaboard Power Corp., a wholly-owned subsidiary. Proceeds of the bond sale were used to refund the corporation the balance advanced for construction of the Seaboard plant and to provide for the construction of an additional unit to be completed in 1937.

During the year the value of properties and plants was reduced by $144,677, due principally to the sale of rolling stock purchased by Dominion Coal Co.

Bank loans during the year were reduced by $627,487 and now stand at $2.6 millions.

The current position shows up favorably, largely due to an improvement in trade accounts and bills receivable and to an increase in cash on hand.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Gross revenue	1,400,026	1,295,633
Less: Depreciation	982,830	945,900
Bank interest	212,822	204,386
Sub. interest	6,250	......
Bond interest	154,280	121,220
Surplus	103,844	24,127
Previous surplus	85,517	61,390
Surplus forward	189,361	85,517

Working Capital

	1936	1935
Current assets	9,364,905	8,513,821
Current liabilities	3,553,469	4,250,114
Working capital	5,811,436	4,263,707

Anglo-Canadian 'Phone

Anglo-Canadian Telephone Co. reports gross income in 1936 of $669,178, compared with $406,799 for the seven months ended December, 1935. Net income available on the 7% preferred stock amounted to $8.57 as against $5.32 in the previous seven months' period.

The principal change in the balance sheet is an increase in the outstanding class A common stock from $2.6 millions to $3.6 millions. Since the year end, arrangements have been made for the retirement of $3.3 millions of the 7% preferred stock through the sale of a new issue of 5½% preferred stock of $3.6 millions.

Income and Surplus Account

	12 mos. ended Dec. 1936 $	7 mos. ended Dec. 1935 $
Divds., interest, etc.	669,178	406,799
Less: Salaries, dir. fees, legal & misc. exps.	70,422	34,521
Taxes	32,658	20,394
Interest	219	294
Net income	565,879	351,590
Less: 7% pref. divds.	231,000	154,000
Class A divds.	143,550	44,550
Class B divds.	125,685	148,525
Surplus for period	65,644	4,515
Add: Prev. surplus	344,831	375,142
	410,475	379,657
Less: Misc. debits	283	34,826
Surplus forward	410,192	344,831

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Paper, A	6%	1945	June 4	103¼
Avon River Pr. D.	5%	1964	July 1	103
Randolph Hotel	*6½%	1947	May 1	105
Connors Bros.	6½%	1938	May 1	105
Can. Steamships	5%	1943	Aug. 15	105
Mar. T & T. A	5%	1956	July 1	104
Simpson, Robt., Ltd.	5%	1952	July 1	105
Ames Holden Tire	7%	1943	May 1	105
Gen. Stl. Wares A	6%	1952	May 1	104
Hinde & Dauch A	5½%	1948	May 1	102½
Tor. Housing, A.	•5%	1953	May 25	105
H. Walker-G. & W. conv. debs.	§4½%	1945	June 1	104

For sinking fund: *$9,000. †$117,000. •$37,000.

§$1,250,000; any of the debentures thus called may be converted into common stock of Hiram Walker-Gooderham & Worts Ltd. prior to June 1, 1937 at $45 per share.

Western Steel Bondholders To Get Stock

Reorganization Plan Will Simplify Set-up of the Company

PROFIT REPORTED

Reorganization plans for Western Steel Products Ltd. provides for settlement of prereceivership creditors', bondholders' and preference and common shareholders' claims by an issue of no par value common shares and discharge of $1 million of receiver's certificates by the issue of $700,000 of 5% first mortgage bonds and by a bank loan of $300,000.

The reorganization proposal, which is to be submitted to a meeting of creditors, bondholders and shareholders, has been put forward by James Richardson & Sons Ltd., Winnipeg, in co-operation with Royal Securities Corp., Montreal. In addition, it has been approved by representatives of the following which are interested: National Trust Co. as trustee for bondholders; Great-West Life Assurance Co.; Mutual Life Assurance Co. of Canada; Manufacturers Life Insurance Co.; Wawanesa Insurance Co.; the liquidator and inspectors of Geo. W. Reed & Co. Ltd., a subsidiary.

Liabilities of the company at the present time are as follows:

Liabilities
As at Jan. 31, 1937

	$
Receiver's certificates	1,000,000
Accts. payable & accrued items	203,852
First mortgage bonds	2,058,500
Accrued bond interest	648,427
Mortgage payable	875
Preference share	1,100,000
Common stock, n.p.v. .... shs.	100,000

Basis of Settlement

The proposed basis of settlement with the various groups is as follows:

(1) Prereceivership creditors (deferred accounts payable) are to receive 1½ shares of common stock of the reorganized company for each $100 of claims.

(2) Holders of the present first mortgage bonds are to receive five common shares of the new company for each $100 principal amount of bonds.

(3) Preference shareholders are to receive one new common share for each preference share held.

(4) Holders of common stock of the present company are to receive one share of common stock in the new company for each 80 shares of common stock now held.

If the proposed reorganization is approved then the holdings of new common stock of the various classes of creditors will be as follows:

	be Issued	Equity
Present bondholders	102,925	87.0
Pre-receivership credit.	3,058	2.7
Preference shareholders.	11,000	9.3
Com. shareholders (old)	1,250	1.0
	118,233	100.0

Working Capital Change

As at Jan. 31, 1937, current assets totalled $857,611 and current liabilities, including receiver's certificates, $1,151,214, so that working capital account shows a deficit of $293,603. Discharge of $1 million of receiver's certificates by the issuance of $700,000 of bonds and by a bank loan of $300,000 will result in a working capital surplus of $306,397, current assets after the reorganization being $857,611 and current liabilities $551,214.

As proposed under the reorganization plan the company will have a simple capital structure, consisting of $700,000 of 5% bonds and 118,233 common shares. It will also bring about a considerable reduction in fixed charges which will amount to approximately $35,000 per annum, exclusive of sinking fund charges and provision for depreciation.

Had Profit in 1936

According to an official statement issued in connection with the reorganization proposal, earnings of company for the year ended Jan. 31, 1937, are estimated at $38,543 prior to charges for bond interest and depreciation, but after providing for interest on bank loans. In each of the four previous fiscal periods the company reported a loss from operations prior to charges for depreciation and bond interest. Losses were $27,182 in 1936; $80,440 in 1935; $132,168 in 1934; and $189,594 in 1933.

Total assets are valued at $3.1 millions.

Proposed Directors

The following are proposed as directors of the new company: James A. Richardson, R. J. Gourlay, F. E. Halls and G. W. Hutchins, all of Winnipeg; A. F. Culver, Montreal; Louis L. Lang, Waterloo; E. S. Sargeant, Toronto. It is expected that Mr. Richardson will be president. No change in the active management of the company is contemplated.

C. P. R. Gross Up Sharply in March

From Our Own Correspondent

MONTREAL. — Gross operating income of the Canadian Pacific Railway for March totalled over $7.7 millions, an increase of roughly $1 million over the same month a year ago.

The improvement in revenues was even more pronounced during the last half of the month. From March 21 to March 31 the C.P.R. had a gross operating income of $4 millions, or 22.5% over the same period last year.

Municipal Finances

Bowmanville, Ont., has struck its 1937 tax rate at 47 mills, a reduction of one mill from the 1936 rate. The levy is divided as follows: town rate, 11 mills; school, 16 mills; debentures, 7.5 mills; county, 12 mills; unemployment relief, 0.1 mills.

* * *

Jonquiere School Corp., Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of April 1, 1937. Interest on past due bonds to that date will also be paid.

* * *

Jonquiere, Que., which is under the supervision of the Quebec Municipal Commission, has been authorized to pay interest coupons of April 1, 1937.

* * *

Calgary, Alta., reports a deficit of $59,868 on operations of its general department in 1936. This deficit was after taking into revenue $79,403 of surplus earnings from the sinking fund. Current tax collections in 1936 amounted to 75.11% of the levy. Total collections, including arrears, amounted to 95.5% of the levy.

Net capital indebtedness at the end of 1936 amounted to $13,470,432. Sinking fund shortage amounts to $830,778.

* * *

Peterboro, Ont., tax rate in 1937 will be 36.4 mills. The rate has been struck at 37 mills but was subsequently reduced as a result of action of the Ontario Government in granting a subsidy of one mill on the rateable assessment.

* * *

Sarnia, Ont., tax rate in 1937 will be 33 mills, a reduction of 1.75 mills from 1936. The budget provides for a total expenditure of $975,280 of which $679,123 has to be raised by taxation.

* * *

Edmonton, Alta., reports that its public utilities had a net profit of $944,093 in 1936 after all charges including bond interest and provision for reserve for improvements and extensions. The full amount of $944,093 was transferred to the city's general revenue account for relief of taxation in 1937.

It is interesting to note that four of the city utilities have had net surpluses totalling $10,167,348 since the commencement of operations. The street railway, though it is now on a paying basis, did not always show a profit. The accumulated deficit of the railway is $1,424,266.

The city's sinking fund reports total assets as at Dec. 31, 1936, of $12,275,399, which includes real estate holdings and accrued interest but does not include interest due but unpaid on bonds in default. During the year the sinking fund purchased $1,253,648 of Edmonton bonds to bring the total amount held to $6,191,203. Of this amount $3.2 millions mature before 1945 and $1.2 millions in 1946, 1947 and 1948.

The fund holds $2.1 millions of bonds which are in default of which the amount of principal past due is $870,381. Included in defaulted bonds are $756,500 of Alberta bonds and $1,032,145 of Ontario municipal bonds.

* * *

Cranbrook, B.C., had a surplus of $5,099 on 1936 operations after taking into revenue a surplus of $7,418 from the previous year. Debenture debt at the end of 1936 totalled $580,640 against which there was held a sinking fund of $302,328.

Bond Sales

Forest Hill

The village of Forest Hill, wealthy Toronto suburb, has sold $250,000 of 4% debentures maturing in 20 annual installments to R. A. Daly & Co. and Fry Co. at 101.136, which is a cost basis to the village of 3.85%. Proceeds of the issue are to be used to acquire, extend and improve the electrical distribution system of the village. Bids were as follows:

	Bids
R. A. Daly & Co. and Fry & Co.	101.136
Wood, Gundy & Co.	100.27
Dominion Securities Corp.	100.171
Dyment, Anderson & Co.	100.00
J. L. Graham & Co.	99.375
Harrison & Co.	98.57
McLeod, Young, Weir & Co.	98.36
Griffis, Fairclough & Norsworthy (option)	99.50

County of Lanark

County of Lanark, Ont., has sold $36,000 of 3½% debentures to J. L. Graham & Co. at 97 which gives a cost basis to the county of 3.93%. The issue matures in 15 annual installments. Proceeds are to be used for highway construction. Bids received were as follows:

	Bids
J. L. Graham & Co.	97.00
Dominion Securities Corp.	96.577
Stewart, Scully & Co.	96.25
McLeod, Young, Weir & Co.	95.64
R. A. Daly & Co.	95.50

Treasury Bills

The Bank of Canada has announced the sale of $25 millions of Dominion of Canada treasury bills dated April 1 and due July 2 at an average discount price of 99.80237. This gives an average cost basis to the Government of 0.786%. This represents a slight reduction in the cost of short-term money to the Government from the issue sold on March 12, the average cost basis at that time being 0.805%.

Consumers' Gas Co. Sales Record Gain

Gas sales of the Consumers' Gas Co. of Toronto for the first half of the current fiscal year, that is, to March 31, showed a slight increase over the corresponding period of the previous year despite the fact that the winter months were considerably milder than usual. Sales for the month of March were up 1½%.

Appliance sales continue to increase in number of units and in dollar volume. The gain in March was 49.6% over the corresponding month of 1936. The gain for the six-months period was 17½%.

Collections have also recorded an improvement.

We have pleasure in announcing that
Mr. Philip C. Tidy
has been admitted to partnership and that
Mr. W. D. Matthews
has become associated with this firm
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McCormick's Biscuit Deal Frees Stock

Geo. Weston Buys Control, Ending Voting Trust

DEAL ANALYZED

Voting trust agreement, to which all stock of McCormick's, Ltd., held by Nathan Cummings, president, was made subject by the 1936 reorganization, has been terminated by the sale of shares to George Weston, Ltd. The voting trust agreement was to last as long as the first mortgage bonds remained on an income basis, but Mr. Cummings was left free to sell his stock at any time.

The voting trustees, who had the power to elect a majority of the directors, included Mr. Cummings, S. G. Dobson, general manager of The Royal Bank of Canada, and H. P. Thornhill, associate treasurer of the Sun Life Assurance Co.

Control of McCormick's, Ltd., has been acquired by George Weston, Ltd., through purchase of 70,001 shares of McCormick's common from Nathan Cummings for 25,000 shares of Weston common and $10,000 in cash. The estimated value of this consideration is $460,000. McCormick's has 113,000 common shares and 17,905 preferred shares outstanding, and this deal gives Weston over 50% voting control.

It is understood that George Weston Ltd. expects to have only one representative on the board of McCormick's for the present. Mr. Cummings will remain as president and operating head of McCormick's.

Contract Right

Weston also acquires the rights to all benefits to be derived from the contract between McCormick's and Nathan Cummings. This contract was arranged to provide part of the compensation to which Mr. Cummings would be entitled in the event that he was able to repair the company's finances and earn a profit. The contract provides that Mr. Cummings is to assume active direction of the company's affairs until April 30, 1940, and to receive as part compensation the following:

(1) A number of preferred shares equal in par value to the amounts paid as interest on the first mortgage bonds to and including May 1, 1940.

(2) After net current assets reach $350,000, a number of preferred shares equivalent in par value to 1/5 of the amount by which net current assets increase, exclusive of increases resulting from the sale of assets.

(3) A block of 15,000 common shares, or 1,500 preferred shares, if net current assets exceed $850,000 at Dec. 31, 1940, and the company is not in default on its bonds.

(4) A block of 15,000 common shares, or 1,500 preferred shares, if net current assets exceed $750,000 at Dec. 31, 1941, and the company is not in default on its bonds and a similar allotment if the same conditions prevail at Dec. 31, 1942.

Minimum Exceeded

On Dec. 31, 1936, McCormick's reported net working capital of $435,222 which is in excess of the minimum amount at which the issue of preferred shares could begin.

At last year's dividend rate of 85 cents for each common share of Weston stock, annual dividend requirements will be increased by $21,250. At the same time the issue of an additional 25,000 shares of stock will bring the outstanding amount to 400,882 shares, which would have reduced per share earnings on the common in 1936 to $1.03 a share instead of actual earnings of $1.11 a share.

Some gain may accrue to the two companies from economies in purchasing and management but this is not expected to be an important factor in making the change profitable. The main benefit anticipated is from more orderly marketing of biscuits in Canada. Both McCormick's and Weston have complained of unfair competition and price cutting and interests associated with George Weston, Ltd., feel that this has cost much more in the past than will the $21,250 in annual dividends on the stock to be issued.

It is understood that holders of preference shares and first mortgage bonds of McCormick's are being protected in the deal. George Weston will be required to continue the operation of the McCormick's plants which are part of the security for bonds.

Canadian Investment Securities
Enquiries invited.
BELL, GOUINLOCK & CO. LIMITED
MONTREAL TORONTO WINNIPEG

Montreal Holds Up Plan to Tax Outside Brokers

From Our Own Correspondent

MONTREAL.—After having given approval to the proposal to impose a tax of $1,000 annually on outside brokers, the legislation committee of the Montreal City Council has decided to hold up the clause in the Montreal Bill following complaints by brokers not members of the Stock Exchange or other organizations.

As approved for incorporation in the draft of the Montreal Bill, the impost was to bear upon all brokers not members of the Montreal Stock Exchange, the Curb Market, the Bankers Association or the Investment Dealers Association of Canada.

Minnesota & Ontario Paper COMPANY
We have prepared a circular
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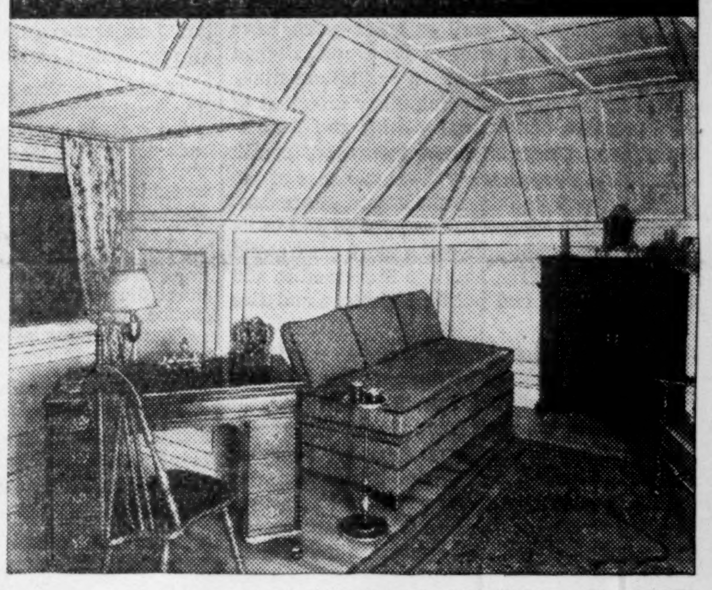
Winnipeg Grain Exchange
Chicago Board of Trade
New York Curb (Assoc.)
Calgary Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Commodity Exchange Inc.
Canadian Commodity Exchange Inc.

JUST IMAGINE—THIS WAS OUR ATTIC



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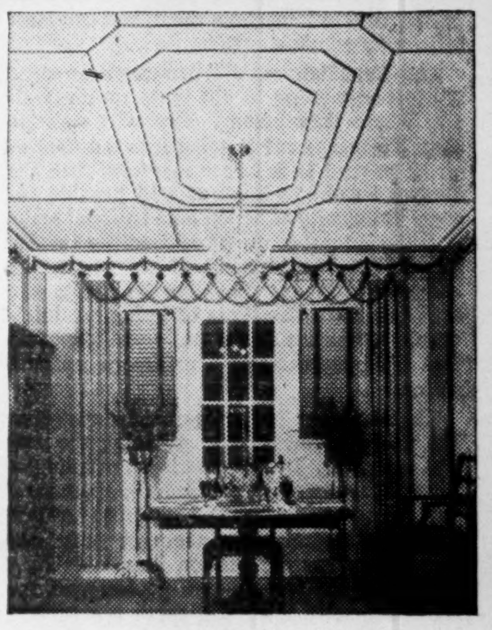

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TORONTO, APRIL 10, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

The Fathers of Re-Confederation. 5

MANY of the most acute financial and taxation problems of governments in Canada arise out of the wider rôle that the State today plays in the affairs of men. To the practical implications of this problem, the Royal Commission on Public Finance will be forced to devote a great deal of its time and attention.

This particular aspect of the job of modernizing our constitution concerns the adaptation of our system of government to the more direct interest of the modern state in the realm of social security.

In 1867, governments concerned themselves little with the security of the individual in his working life. They were more interested in the security of the nation in its international relationships.

Democracies, as well as autocracies, have decided that, for better or for worse, rugged individualism requires a complementary force in the shape of community direction of the creation of national wealth and its distribution. Unemployment insurance, health insurance, provision for the sustenance of the aged, the sick and the unfortunate, are instruments which society has decided to add to its tools for the upbuilding of a more secure and happier life, just as long ago it decided to add free education and public highways and fire departments.

In Canada, the problem is not so much one of deciding whether or not we want to work for these things, but through what class of government we shall have them. The recent Privy Council decisions focussed renewed attention upon the problem. These decisions made it clear that a wide range of measures of this character, matters which concern the very core of social well being, are the responsibility of that type of government which can least afford to undertake them, and can least efficiently administer them.

The Canadian constitution requires clear distinct re-writing to pin those responsibilities where they belong. Few will question that, if government is going into the field of social control in a larger measure, then the control should be such as will provide for some uniformity of action on a national scale. If to the natural competitive conditions which govern the development of industrial and commercial life of Canada we were to add competition in standards of living, an intolerable strain would be put upon the links that bind these areas together to make a nation.

The tendency in government throughout the world is toward strengthening the central authority. In Great Britain, despite the "Home Rule-for-Scotland" movement, there is only one government for some 45 million people. In South Africa there is only one government for 8½ million people; in New Zealand there is only one government for 1½ millions. In Australia there are several state governments, but Australia has simpler machinery for changing its constitution and the people have from time to time voted to establish centralized bodies which exercise a great deal of the power that in Canada is exercised by our individual provinces.

Across the border in the United States, the old battle cry of "State's rights" is virtually stilled. The Federal Government is being given supremacy over an ever-widening sphere of authority.

In 19 democratic countries recently surveyed by The Financial Post, Canada had the most law-makers for its population. Portugal had one law-maker for 76,000 people; Britain one for 34,000; the United States one for every 15,000. We have one for every 12,000.

Surely no one will deny that our excessive supply of legislators is related to our excessive burdens of debt and taxation.

Admitting all the arguments against centralization of government, recognizing all the potential dangers, we must still face the fact that the trend to centralization is inevitable because, with the growing complexity of the affairs in which government interests itself, there is need to concentrate authority in order to avoid competition in government.

These comments may seem to anticipate in part the recommendations of the Commission rather than to outline one problem it will have to deal with. It may be that the Commission will find it possible for us to continue broadening the social responsibilities of government and still to retain for the provinces the full measure of their present powers. But it is unlikely.

Parliament Not a Police Court

WHEN the Price Spreads enquiry was on, many businessmen were summoned to Ottawa ostensibly to help the enquiry to investigate certain trends in modern merchandising. When they got there, they found themselves treated as public enemies. They were put through a public third degree and were accorded fewer rights than are extended to a criminal in the box.

Both the parliamentary committee and the Royal Commission on price spreads had counsel to assist them in their work. The lawyers were supposed to be there to act in as independent a capacity as the commission itself; to help bring out all the facts. Actually the chief commission counsel, Norman Sommerville, K.C., acted as though he had been appointed to bring in a criminal verdict of guilty against the businessmen who were invited to contribute to the enquiry's knowledge and understanding of business.

The Financial Post strongly protested this attitude at the time and was accused of endeavoring to prevent the searchlight of truth being turned upon abuses in business.

We are happy now to learn that the then Prime Minister apparently agreed with us. During a debate in the House the other day, Hon. C. H. Cahan, K.C., cited the fact that in England, if counsel are appointed to assist a commission, they are instructed to elicit the facts with impartiality. He urged that Ottawa should prepare a set of instructions of that kind for counsel appointed for various Canadian enquiry commissions. The duty of counsel is to act impartially, he said.

During the discussion that ensued, Opposition Leader Bennett brought out this bit of hitherto secret history:

"I must say that I took strong objection to the attitude of the leading counsel for the price spreads commission. The attitude taken was not of that impartial character which, in my judgment, counsel assisting a commission should show; and what is more, I told that gentleman so.

"I asked him to come to my office, and told him that his duty was to assist the commission impartially in getting the facts, and not to treat the witnesses as though they were in a police court; rather he should treat them as witnesses giving evidence before a commission . . ."

Mr. Bennett recalled that during the present session, when the counsel for a parliamentary committee was given certain facts to bring out, he refused to put them on the record because they would be favorable to the company.

Some disgraceful scenes have been witnessed at parliamentary enquiries and adoption of Mr. Cahan's suggestion for a permanent set of instructions to Government counsel, ordering them to be impartial and nonpolitical and to seek only to bring out all the facts, would be useful.

Commercial Flying: Safe or Unsafe?

SIX major crashes, each involving loss of life, have occurred on regularly scheduled airlines in the United States since the middle of December. No major airline has been exempt from the bad fortune and the bad publicity of recent weeks.

In the mind of the average man and woman these crashes raise serious doubts as to the safety of flying, even with modern planes and modern aids to air navigation.

The figures indicate that air travel is not yet as safe as train travel. In the United States there is about one death for every 10 million passenger miles flown over regularly scheduled commercial air routes. There is about one death for every 1,000 million passenger miles on the railways. This makes air travel just 100 times as unsafe as travel by train. But before anyone draws any long conclusions from that fact, let it be noted that the safety record of travel in the air is just about the same, as nearly as it can be figured, as the safety record of travel by motor car. Yet people drive their cars every day and seldom think of themselves as indulging in a very dangerous pastime.

Air tragedies get into the newspaper headlines. Last week 13 people were killed in the crash of a transport plane. The tragedy was given a three-column heading on page one of a New York newspaper. In a bus crash, 20 were killed. The accident got a one-column heading inside.

Airplane tragedies are still news; spectacular news. Yet the number of people killed has never been high in any one year. Millions of passenger miles are flown every day and it is estimated that there are, on the average, more than 1,000 people aloft in transport planes every moment of the day and night.

If driving in a motor car is dangerous, then flying is dangerous too. It is all a question of perspective. Commercial aviation has reason to be proud of its steadily improving record.

Imperial Preference is Outside Politics

THE renewed trade agreement between Canada and the United Kingdom went through both the House of Commons and the Senate with only a minor degree of criticism. This was to be expected. The agreement was originally negotiated by the Conservative Government of Mr. Bennett and its renewal, with slight modifications, was negotiated by the Liberal Government of Mr. King and Mr. Dunning.

Most of the criticisms of the 1932 agreement emanated from Great Britain, which felt that it gave more to Canada than it obtained in exchange. An effort was made in the renewal of the agreement to adjust the balance. Curiously enough, this is not likely to have any important effect during the next three years in improving the relative position of Great Britain, because that country has become an importer of many of the commodities on which it secured or held tariff advantages. In the case of other commodities the advantages obtained in the treaty have already been more than offset by increases in prices in the Old Country.

During the debate in the Senate, Mr Meighen, leader of the Opposition, said that he had always been a profound admirer of the Ottawa agreements. They were, in his judgment, the best achievement for this Dominion that has been effected in many a decade.

"The achievement of 1932 was a tremendous thing. It was the great starting point of recovery from the depression. Besides being great in itself, it inaugurated a policy of mutual preference. It adopted and embedded in our system a new principle, and it has contributed tremendously not only to the rehabilitation of trade within the Empire but to the strength of the bonds of the Empire itself."

It was Sir Wilfrid Laurier and Mr. Fielding who adopted the policy of British preference, but that policy was, at best, a one-sided arrangement. It came to full fruition in 1932 in the Ottawa agreements under which these two countries agreed to grant mutual preferences assured by a friendly bargain negotiated between them.

Imperial preference is now established as a national policy outside of party politics and it is in the interests of Canada, as of Great Britain, that it should so continue for an indefinite period.

Editorials in Brief

The North Sunnidale correspondent of the Collingwood Enterprise-Bulletin contributes a bit of business news:

"Farmers are being canvassed for all kinds of scrap metal and pacifist and jingo alike are contributing their bit toward rearmament."

* * *

The Huntsville Forester finds "salutary and refreshing" the example shown by Mr. Bennett in co-operating with the Government in important legislation rather than indulging in "petty political wrangling." It believes that the Opposition leader's recent trip around the world has had a mellowing effect upon his political pugnacity. It adds:

"If the tendency during the present session at Ottawa is indicative of greater co-operation among all parties, it is a happy omen, and should lead ultimately to the recognition of the need of a National Government, pledged to tackle, with intelligent and determined purpose, a series of urgent social and economical problems upon the solution of which our emergence from the effects of a fading depression can alone be facilitated."

* * *

The American Newspaper Guild is attempting to organize reporters and editors of Toronto newspapers. It demands a minimum of $45 a week for "journeymen" reporters and limitations upon their hours of work. Desk workers, copy readers, etc., scaled at a minimum of $65 a week and editorial writers at a minimum of $75 a week.

We cannot imagine any "industry" that lends itself less to standardization of "wage" scales than the editorial departments of newspapers. The reason is that newspaper work calls for qualities of mind that are not to be measured in hours worked or column inches turned out. Accuracy of interpretation, imagination in treatment, crispness of style, brilliance in phraseology are not to be measured by the rules of a union.

The only newspapermen writers we have ever known who favored unionization of their craft were men who had fallen into ruts; who had reached the limit of their development; men who could write a passable story of what was happening without knowing why it was happening or what the social or economic consequences might be.

One might as well organize a standard wage scale for authors, statesmen, concert pianists and portrait painters as fix, in terms of dollars per week, what reporters, editors or "desk men" are worth either to their publications or to the world for which they write.

Sayings of the Week

"Hatred will not eliminate communism."—*Hon. Ernest Lapointe.*

* * *

"We must not consider war, even as a possibility."—*Sir George Paish.*

* * *

"The greatest waste we have in Canada today is the men and women who are out of work."—*A. A. Heaps, M.P.*

* * *

"We cannot stake the future of this country on its export trade."—*Rt. Hon. R. B. Bennett in the budget debate.*

* * *

"We should be more interested in asking about a man how he got his money than how much he has got."—*Roger Babson.*

* * *

"I cannot see that much can be obtained by taking from those that have and giving to those that have not."—*Premier Aberhart.*

* * *

"By making known its difficulties a government need not fear weakening itself when it has the confidence of the citizens."—*Leon Blum.*

* * *

"Relief is a matter of psychology. To my mind the less we talk about relief and unemployment the better for the country."—*L. P. A. Robichaud, M.P.*

* * *

"There is a limit to the spiritual and moral factors an army can recognize."—*General Suziyama, Japanese Minister of War, on use of poison gas.*

* * *

"There are no principles! You might as well say there are no facts; for principles are merely formulas which classify such facts as are well established."—*R. J. Deachman, M.P.*

* * *

"The old barrier between the academic and the practical has been broken down. Now there is nothing too practical for the academic and nothing too academic for the practical." — *Dr. Nicholas Murray Butler.*

* * *

"The United Kingdom has the right to think of its own people first and to use its position as the most valuable market to see that the interests of its own people are safeguarded." — *Sir Francis Floud on Empire Trade pacts.*

* * *

"A man's official character does not do justice as a rule to the stalwart virtues which he possesses as a private citizen. The Almighty is compelled to do things in his official capacity that he would scorn to do as a private individual."—*Lord Tweedsmuir.*

—*Cartoon by Grassick.*

"Come in if you like but tie your dog outside."

New Books . . .

Extinct Companies

ROBERT D. FISHER MANUAL OF EXTINCT OR OBSOLETE COMPANIES, VOLUME V. Published by Robert D. Fisher, New York. Price $15.

This volume marks a change of name. Fifth in the series formerly known under the title, "The Marvyn Scudder Manual of Extinct or Obsolete Companies," this 1937 edition, Volume V, carries the name of the new publisher. It contains reports on over 75,000 corporations not listed in the earlier volumes.

Mr. Fisher has become the publisher, following the death of Mr. Scudder in 1935, and the new volume fits into the set of the first four published by Mr. Scudder. In the first three volumes, information regarding forfeiture of company charters was presented in paragraph form. Volume IV listed about 250,000 additional corporations, and also indexed the total of some 300,000 corporations covered in the first three volumes, and the data were condensed into tabular form.

Volume V includes information which heretofore has not been available to the public. It lists reports on thousands of dormant and inactive companies, mergers, reorganizations, changes of name, companies that have revived their charters, and information establishing the year securities became worthless for practical purposes. The book also contains valuable information about the actual liquidating or decree values of thousands of supposedly worthless securities, and of those in process of liquidation. There is also information in many cases showing that securities may have some equity or exchange values.

Mr. Fisher says he does not pretend to give a complete list of extinct companies, but believes that the manuals contain most of the companies whose securities were widely distributed.

For many financial libraries, and estates offices, the new volume, as well as the old ones, are indispensable.

As Others See Us . . . .

The Weekly Press
St. Catharines Standard

The Financial Post states that 95% of the weekly editors of Alberta opposed Social Credit and Premier Aberhart, whereas they might have swung with the tide of mass hysteria in that province. By and large the independent weekly press of Canada is a great credit to the Dominion.

An Exclusive Story
Hamilton Review

It is interesting to observe that The Financial Post, so far as is known, is the only paper in the district concerned to have chronicled the fact — and with a two-column heading—that the organization field of the: American Newspaper Guild, United States news works affiliate of the American Federation of Labor, has been extended to Canada with the establishment of a guild unit in Toronto.

The Weekly Press
Collingwood Enterprise-Bulletin

For many years it has been our privilege and pleasure to have had a somewhat intimate acquaintance with Col. John Bayne Maclean, chairman of The MacLean Publishing Co. Again and again throughout that period we have heard him proclaim the importance of the place occupied by the weekly newspapers of the province. Further, we have heard him many times stress the value of the weeklies in the rounding out of public opinion. It is therefore not surprising to find, in a recent issue of The Financial Post, one of the outstanding publications of The MacLean Company, a word of approval and appreciation of that section of the press in which he has kept so watchful an eye.

For Self-Government
Moose Jaw Times-Herald

To bring about a financial set-up that will enable the provinces to financially "stand on their own feet," is an achievement which, The Financial Post says, "would in itself warrant the appointment of a Royal Commission in Public Finance." The Post goes on to say "As the financial problems of the province have increased, their burdens have been lightened by almost haphazard increases in their subsidies and by advances from the Dominion Government. The position has been reached where the Central Government raises money and the provinces spend it. This is certainly not satisfactory to the Dominion."

All of which tends to show that federal guarantees for provincial financing, whether or not they work in Australia, do not fit into "a basic principle" of the Confederation of the Dominion of Canada.

Making Headlines
London Echo

Commenting on the almost interminable brief presented to the textile enquiry by J. C. McRuer, K.C., government counsel, The Financial Post says that always the emphasis is upon profit. Always the effect is to build up the idea that to earn a profit is vicious. Always there is an earnest attempt to compare on that investment. Mr. McRuer at the moment is not a lawyer but a manufacturer—a manufacturer of headlines. "We cannot help wondering what kind of headlines would be produced if the tables were turned and the lawyers themselves were investigated," The Post continues. "Take Mr. McRuer himself."

But, of course, Mr. McRuer is being paid to produce these evidences of large profits and as yet no one is being paid to interrogate Mr. McRuer. These enquiries have certainly been the greatest windfall for political lawyers ever yet conceived. There is more to politics than running for office—much more—!

Mr. Aberhart and the Weeklies
St. Mary's Argus-Journal

The Financial Post which keeps close tab on conditions throughout Canada is deeply impressed by the journalistic courage of the country weeklies of Alberta who have almost unanimously opposed Mr. Aberhart and his Social Credit futilities. They have consistently exposed the Money Messiah's political hyprocrisies and combatted his fallacious economic doctrines. The Financial Post points out that at a time when the public has been engulfed in a wave of mass hysteria, those who refused to be swept along with the unthinking masses, may expect to be jeered at, reviled and persecuted. The Post concludes that if one wants to know what the country thinks at heart, what its true common sense viewpoint is, one can usually find it by a perusal of the editorial pages of the country weeklies of Canada.

Molding Public Thought
The Wolfville Acadian

Elsewhere in this issue the Acadian takes the liberty of republishing for the benefit of its readers an editorial dealing with the country weeklies from a recent issue of The Financial Post, of Toronto. The reference that it makes to a class of newspapers that sometimes appears to be inadequately appreciated cannot fail to be pleasing to the publishers, sensitive as they are to their shortcomings.

The Financial Post is a journal in which the writer has ever taken a keen interest. This has been not so much because it is a recognized authority as regards financial matters, but for the reason that its editor is seemingly so well qualified to discuss public issues in a lucid and independent manner. The constructive criticisms that are weekly presented respecting national affairs cannot fail to be effective in the molding of public thought along right channels. Canada is fortunate in the possession of the quality of journalism represented by The Financial Post, and the country weeklies that are endeavoring in a humble way to make common cause against some of the excesses of political opinion that exist from time to time in too large degree, are grateful for the manifestation of co-operation which it gives.

Humanizing the Statistics
Winnipeg Free Press

There is a wealth of information in the "Business Year Book and Market Survey" for 1937 just published by The Financial Post. Figures, however, may not mean much if they are not collated intelligently. This is done in the Business Year Book. The facts themselves are outstanding. For instance, Canada's national wealth is currently estimated at $27 billions, and it is known that the national income in 1936 was $4 billions. But where and how was that income earned? Which among the communities which make up Canada's population of 11,028,000 in 1936 earned and dispensed that income? Business wants to know, if business is to be intelligently informed, and business can derive much of the information it ought to have, from this 1937 Business Year Book.

The information is worth deriving, for it goes far to explain just how the people of Canada should possess one of the largest per capita incomes of any people in the world.

This Business Year Book can be read as a very human document. Its comparisons reveal much about the people who are the agents of all the wealth created and expended.

Relief Bonuses and Building
The Quinte Sun, Trenton

On the desk here is a table showing the relief costs in Canada. In 1936 the country spent $80,268,176 for relief. This money was in the nature of a bonus to the businessmen of Canada. Without this money having been given to those in need to buy food, clothing, fuel and other necessities, many more score businesses across Canada would have folded up and the relief problem become greatly aggravated.

This money had to be spent by the Government or Governments—and in spite of the fact The Financial Post says, and with much truth, relief has become a racket, there was no way of dodging this responsibility.

But what did Canada get for the 80 millions spent last year? We would venture to say that at least half of it was spent with nothing to show for it. It seems so stupid, when there is so much that needs to be done (Trenton is not the only town that needs a new school or public building) and with proper direction could be done with this money.

The building trades is one of the lines that, in spite of improved business, is still much below normal in this country. There must be in Canada thousands of carpenters, bricklayers, steamfitters, etc., without sustaining work, many of whom are getting relief. Why cannot the Government advance this money to towns like Trenton that so desperately need new buildings and have these men put to work?

Statistical
Saskatoon Star-Pheonix

Anyone who has a leaning toward puzzling out statistical information should have a merry time with The Financial Post's Business Year Book which has just been issued for 1937. Edited by Kenneth R. Wilson, figures covering practically every Canadian line of business or Government activity have been assembled in a 200-page record of 1936. The amount of explanatory text in the Year Book has been reduced to a minimum required to explain the numerous tables which have been included. One section of the book which is particularly interesting is that devoted to market data of the principal Canadian cities. These tables give populations, racial and religious origins, estimates of the amount of business done in each line of endeavor, and figures on debts and taxation. Other sections deal in general with matters of finance, trade and manufacturing in Canada. The book will make a ready reference for those who like statistics or because they need them in business.

Quality Rather Than Source
The Peel Gazette, Brampton

The Financial Post is urging the Dominion Government to co-operate with that of Great Britain in an immigration scheme proposed by the latter. Under the proposal in question the British Government would pay $3 out of every $4 expended in establishing the newcomers in this country.

Such a proposal might not be wholly objectionable if the migrants to be sent here were of the same quality as those who came of their own accord in the first half of the past century. Unfortunately, however, experience with recent government fostered and government aided migration schemes does not justify expectation of anything of the sort. On the contrary there is too much reason to expect that the new inflow would drift to the cities and add to relief expenditures in the latter.

On the whole it would seem better, when the doors are re-opened for migrants from abroad, to regulate the inflow on the basis of capacity of the newcomers to make their own way after arrival rather on the source from which they may come.

It was that sort of migrants who in centuries past, helped in making England itself what it is today. It was newcomers of like quality that, in the past century, so greatly assisted in the upbuilding of the United States. It is newcomers of equal quality who are needed to aid in making the Canada of the twentieth century.

Other People's Views . .

Quebec and Communists
Regina Leader-Post

The Government of Quebec is enacting the most repressive measures ever taken in Canada against Communists. The Leader-Post regards the Quebec law as an infringement on the rights of the Canadian citizen. It is wrong in principle, and in practice it will likely lead to an increase in Communism in Quebec. The Communists, driven below ground, may prove much more of a menace than if left in the open.

However, an odd feature about the situation is that Communists and other "Left wing" people in Quebec fought hard against the Taschereau Government on the ground that Taschereau was a plutocrat and a reactionary.

So they helped get rid of Mr. Taschereau, and have got Mr. Duplessis and his new legislation.

The Quebec Fascists
Winnipeg Free Press

What is Communism? Premier Duplessis refused to define it when piloting his scandalous restrictive measure through the Legislature. "Communism can be felt," he said. "Any definition would prevent the application of the law." Such a statement opens the door wide for every kind of abuse of the powers given. Every red-baiter in Quebec can smell Communism behind every door if he sets out to do it. The dangerous statements made by the Premier indicate that common sense will not guide the Government in its panicky application of the law.

There has been some speculation as to the political classification to which the Duplessis Government belongs. All doubts on this point have now been cleared up. Quebec has the distinction, such as it is, of being in control of a Fascist Government.

Baiting Reds in Quebec
Calgary Herald

The Duplessis Government in Quebec has gone one step further than the famous Section 98 of the Criminal Code in applying restriction to Red doctrines. It has put through a measure known as the Padlock Bill which gives the Government the right to close any premises used in any way to propagate Communism or Bolshevism by any means whatever.

This is an attempt to suppress free speech which is not likely to win approval in other provinces.

We have in Alberta a government which is bent on imposing a dictatorship on the expression of public opinion. The Canadian people will not tolerate such suppression. It resembles too closely the restriction practised in Russia, Germany and Italy to be accepted.

Balancing Budgets
Saint John Telegraph-Journal

There is only one way to balance a budget, and that is to keep expenditures within the reach of prospective income. When expenditures are in danger of overrunning the ability of income to supply the necessary revenue, the wise and prudent course is to cut the budget until it fits the anticipated receipts. But many of our public officials look only on the other side of the picture and see increased taxation as the sole expedient to meet mounting expenditures.

Why, in the face of anticipated revenue which, if it is realized, will set a new high level for ordinary receipts in this province, the provincial secretary-treasurer should even suggest the necessity of new taxation to balance the budget, is something that is indicative of the spirit of the times. The answer, of course, to the question as to why the budget will not be balanced this year is found in the estimated expenditures, which also will establish a new high record for New Brunswick.

Social Security Trend
Palm Beach News

The most striking recent trend in life insurance is the increasing popularity of policies of the guaranteed future income type.

A generation ago, the great bulk of all life insurance was of the pure protection type. It guaranteed that the beneficiaries of the policyholder would have a certain sum in the event of his death. Relatively little attention was given to the investment side of the deal, and the insurance industry did not offer, as it does today, an exceedingly varied assortment of policies designed to fit almost any conceivable case.

At present, life insurance buyers wish protection for dependents, as in the past, but they also demand more. They know that the majority of men are penniless in their old age, and must obtain subsistence from relatives or organized charity. They know that many of these men were wealthy, that many more had good jobs and seemingly good investments. They passed the age when they could work, their estates or investments were destroyed through some unlooked-for happening, and old-age poverty was the tragic end.

So these modern insurance buyers, in constantly increasing numbers, are obtaining policies that will assure to them living incomes in their declining years, as well as money to leave to dependents.

Let's Have the Facts
Lethbridge Herald

The Alberta treasurer tells us that we had a surplus on income account in the first 10 months of the present fiscal year.

How did we get it?

Did the Alberta Government pay the interest on the bonds falling due during that time? Did they pay half the interest? Is it not a fact that they budgeted for only one-half the regular interest rate, and that many holders of Alberta bonds refused to send their coupons to the banks to be cashed, fearing that if they did so it would be tacit agreement that they would accept half the interest which the Government contracted to pay them?

The fact that Alberta collected $16 millions on income account in the first 10 months of the present fiscal year and only paid some $1.1 million in interest as against more than $5 millions interest due accounts for a "surplus" which is no surplus. It looks as if we were about $4 millions in the hole, instead. Mr. Low would do a public service if he would issue a clear-cut statement advising us how much we owe on the interest bill from April 1 last to Jan. 31 this year.

Stop Me If You've Heard This One . .

Thomas Jefferson had some doubts regarding the wisdom of having two law-making houses in the national government of the United States; and one day he expressed this doubt to Washington.

"You are better informed on such topics than I am," said Washington, "but I will continue to uphold the system of England and America." He watched Jefferson for a moment, and then added, "You yourself have proved the excellence of the two houses this very moment."

"I?" exclaimed Jefferson, "how is that, General?"

"You turned your hot tea from the cup to the saucer to get it cool," replied Washington. "It is the same thing we desire in the two houses."

Week in Business

Still Big Reserves For Recovery to Tap

Good Year For Wheat, Newsprint or Construction Would Add Greatly to Canadian Prosperity—Strikes, Styles and Skirts

Further increases in Canadian business this year must largely depend on three industries, two basic and one secondary. These are

1.—Wheat growing
2.—Pulp and paper
3.—Construction

Recovery to date has been largely achieved without material improvement in any of these important branches of Canadian industry.

True, there has been wheat harvested every year, but not even a normal crop since 1932 and nothing like profitable prices since 1930.

Newsprint has also been manufactured and sold in big volume right through the depression but not until recently has there been promise of prices which the manufacturers consider profitable.

As for construction, it has neither enjoyed volume nor profits since 1930.

Wheat and newsprint not only give direct employment to a large block of our population, but in indirect returns, traffic to the railways for instance, they rank among our foremost industries. In exports they are at the top.

Construction is undoubtedly the biggest potential consumer of labor in the Dominion and it can use all grades from the most skilled steel worker and mechanic to the lowliest pick and shovel man.

Real prosperity in any one of these three industries this season would immediately send the level of Canadian business higher, while a good year for any two would send purchasing power to a point not reached since 1928.

Strikes Will Continue

Strikes continue to break out with monotonous regularity. The epidemic appears to be the inevitable companion of readjustment, either when this is toward lower wage levels and profits in the beginning of a depression or when, as at present, bad times are over and new money starts coming in.

Canadian business leaders may as well reconcile themselves to this condition unless, of course, returning prosperity picks up to the point, not altogether desirable, where profits are so large that there is no quarrel among workers and owners as to their distribution.

Incidentally, where inventories are still low, this industrial unrest and soaring commodity prices may interfere with restocking.

Business Indicators

Railways—Recent figures indicate much more favorable results. Carloads gained almost steadily throughout March with the result that gross revenue for both the Canadian National and the Canadian Pacific rose sharply. This follows a very substantial improvement in net revenue in February.

Automobiles—In spite of, or perhaps because of strike troubles, automobile production has been gaining in Canada in comparison with this time last year. Factory output of both cars and trucks was up sharply in February. Prior to United States strikes, subsidiary Canadian plants stepped up production in order to clear as many vehicles as possible before the supply of certain vital parts from parent American companies might be cut off.

Construction—March figures of contracts awarded well above same month a year ago, but cumulative total for year to date down slightly from 1936. Unfavorable weather curtailed March building. April and May figures will be more significant of year's trend. Success or failure of new government Home Improvement Plan will probably be determined then also.

Trade—Lumber continues to feature heavier exports from Canada. Practically all old reserves now cleaned up and some domestic shortage reported of dried pine and other building lumbers. Imports of coal showing seasonal decline.

Current trend of Canadian business is revealed in the following statistics especially compiled by The Financial Post; new figures this week being marked thus ▲:

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1937	1936	—Cumulative Total— Jan. 1 to date 1937	1936
Transportation—				
Car loadings (Mar. 27)	▲45,567	44,059	94,276	47,882
C.N.R. gross earn. (Mar. 31)	$ ▲5,560,382	$ 4,562,584	$ 45,205,723	$ 41,166,731
C.P.R. gross earn. (Mar. 31)	$ ▲4,007,000	$ 3,264,000	$ 6,592,000	$ 5,625,000
Business Conditions—				
Weekly index D.B.S. (Mar. 30)	▲113.9	106.8	......	......
MONTHLY DATA				
Business Conditions—				
Financial Post index (Feb.)	117.6	106.9	......	......
Transportation—				
C.P.R. net revenue (Feb.)	$ ▲990,739	867,397	1,904,248	1,479,969
C.N.R. net revenue (Feb.)	$ 471,894	$ ‡288,460	$ 555,117	$ ‡864,790
Iron and Steel (Feb.)—				
Pig iron production (tons)	▲61,995	55,751	128,395	117,087
Steel ingots and castings prod. (tons)	115,759	93,365	230,996	193,590
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Feb.)	8,801	4,311	17,323	9,058
Factory output (Feb.)	▲14,415	10,853	29,424	22,114
Trucks and Buses:				
Domestic sales* (Feb.)	2,065	1,162	3,742	2,103
Factory output (Feb.)	▲5,292	2,415	9,866	4,456
Exports (Feb.)	4,436	4,583	9,750	11,205
Construction—				
Building permits (Feb.)	$ 2,120,111	$ 1,921,176	$ 3,815,613	$ 3,223,934
Contracts awarded (Mar.)	$ ▲16,508,100	$ 10,289,100	$ 31,409,100	$ 32,127,200
Newsprint (tons)—				
Production (Feb.)	275,532	221,569	563,223	449,524
Exports, tons (Feb.)	222,945	184,079	482,488	368,962
Sugar (lb.)—				
Melting & sales§ (raw)	22,026,102	20,434,690	43,699,603	41,489,975
Manufactured§	20,934,196	20,769,861	42,886,466	44,814,535
Flour (bbls.)—				
Production (Jan.)	1,008,630	981,988	......	......
Wheat flour exports (Feb.)	347,884	340,102	661,807	654,413
Trade—				
Retail trade (index no. of sales) (February)	▲76.8	69.4	......	......
Imports (February)	$ 48,680,884	$ 41,597,398	$ 100,563,502	$ 82,187,674
Exports (February)	$ 75,691,224	$ 62,797,690	$ 159,107,448	$ 127,542,014
Wheat exports (bus. (Feb.)	5,362,031	14,241,169	15,151,058	21,798.489
Employment D.B.S. Index (Mar. 1)—				
All industries	102.8	98.9	......	......
Manufacturing	107.6	99.5	......	......
Electric Power Output (Feb.)				
Total monthly m.k.h. (000's omitted)	2,009,592	1,827,294	4,193,832	3,800,740
Other Industrial Indices				
Lumbering:				
Plank & board exports M. bd. ft. (February)	▲120,856	95,357	1,717,974	1,240,652
Boot & shoe prod., pr. (Jan.)	1,482,017	1,513,959	......	......
Crude petrol., imp. gal. (Jan.)	54,639,651	61,131,349	......	......
Cotton imports, lb. (Jan.)	15,139,187	19,939,607	......	......
Raw rubber imp., lb. (Jan.)	3,656,423	3,938,272	......	......
Coal imports, tons (Feb.)	▲486,528	530,842	1,061,405	983,520
Cigarette cons., (Feb.) No.†	418,344	357,943	865,511	674,477
Finance—				
Bank debits (Feb.)†	▲2,731,934	2,767,449	5,959,289	5,759,517
Bond sales (Feb.)	$ 98,524,192	$ 138,788,775	$ 305,795,692	$ 289,445,889
Life insurance sales (Feb.)	$ 30,604,000	$ 28,834,000	$ 59,368,000	$ 63,055,000
Automobile Financing (Feb.)—				
Used cars	$ 1,642,816	$ 960,796	$ 3,063,830	$ 1,977,132
New cars	$ 1,926,096	$ 1,102,521	$ 3,774,227	$ 2,156,523

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to Feb. 27. ‡Deficit.

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Better Prices For Newsprint Aid Business

Replacement of Equipment Greater as Output Speeds Up

MORE BUYING POWER

From Our Own Correspondent

MONTREAL. — Advance in the price of newsprint over the past two years and promise of a further substantial increase for 1938, benefits business generally but the greater influence at the moment is the continued increase in consumption of newsprint paper.

Manufacturers, supply houses and others catering to the newsprint industry are now more concerned with trend of production than with the price of newsprint. As production increases parts wear out more quickly; Fourdrinier wires have to be replaced with greater frequency; rollers and bearings; pulpstones and other forms of equipment are in greater demand.

Such companies as Dominion Engineering Works, Niagara Wire Weaving, and manufacturers of felts, bearings, etc., have already experienced a marked improvement in their newsprint business.

Can Overhaul Machines

More orders are in sight for them, as with the higher price for newsprint, the operators are in a better financial position to carry out much needed repairs and overhauling of machines in operation. In addition companies like Consolidated Paper and Abitibi are likely to put new machines into operation if the demand and price keep up. The renovation of a newsprint machine is a costly undertaking and the amount of money that may be put into circulation by the newsprint manufacturers on this account is likely to run into a substantial figure over the next year or two.

The increase in production has a beneficial effect in a number of other ways, more especially on the transportation agencies and settlers. Freight costs, whether by rail or water, bulk largely in the selling price of newsprint. These costs are so important that in the last few years there has been a major change in the routing of newsprint, forced upon the manufacturers by the low price.

Railways Lose Out

In previous years practically all of the shipments to the United States and Canada went by rail. When the price of paper dropped, there was no corresponding savings in rail shipping costs. Consequently the operators turned to shipping by water, which is now almost of equal importance to rail shipments. Some of the companies have even gone so far as to build and operate their own boats. The saving has been substantial and it is doubtful if the railways will ever regain their former dominant position in the newsprint shipping field.

However the increased shipments of newsprint benefit the railways, as well as the water-borne shippers, in no small measure. The greater employment of equipment reacts indirectly to the benefit of many industries remotely connected with newsprint manufacturers.

A large proportion of the pulpwood used, especially in Ontario and Quebec, is purchased from settlers. The better price obtained for the finished product and the rapidly increasing demand for wood, have brought about a better price for the pulpwood operator. This, in turn, has meant higher returns for the settler and greater buying power.

The advance in newsprint price has a greater effect upon business indirectly than directly. The long deferred maintenance work will probably be speeded up as a result of the improvement in finances. This in itself will amount to several millions of dollars, but a greater influence is seen in the effect of returning prosperity on the security holders and in the distribution of more and higher wages.

Gains Continuing In Commodities

Hides, Wheat and Cattle Join Upward March

Hides, wheat and cattle are among commodities to join the upward price trend of cotton, copper and rubber, according to price indices of leading commodities this week. Silk shows a moderate gain but sugar prices on leading markets were easier. Coffee and hogs remain unchanged.

Of all commodities listed in current indices quoted by The Financial Post only sugar remains under its price of a year ago, raw sugar at .0345 cents a pound comparing with .0375 cents a pound at this time last year.

Both wholesale and retail Dominion Bureau of Statistics' indices show a further increase for February over January and over February, 1936.

Comparative figures follow.

Commodities

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$9.75	$9.00	$6.35
Hogs	9.50	9.50	9.10
Copper, lb.	.17	.1650	.09¼
Cotton, lb.	.1506	.1473	.1160
Rubber, lb.	.2622	.2613	.1581
Sugar, raw, lb.	.0345	.0350	.0375
Silk, lb.	2.22	2.20	1.79
Wheat (Man.) bu.	1.49¾	1.47⅝	.78⅝
Coffee, lb.	.09⅛	.09⅛	.06⅜
Hides	.16½	.16	.10¾
Weekly Indices			
N. Y. Annalist	145.8	144.6	124.4
Fishers'	94.7	94.4	82.5
N. Y. Journal of Comm.	92.9	92.6	78.6
Crumps (Brit.)	84.3	83.8	68.3
U. S. Labor	87.6	87.2	79.3
Canada (D.B.S.)	86.3	85.2	72.2

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Feb.)	81.8	81.6	80.1
W'sale (Feb.)	82.9	81.3	72.5
United States (Mar.)	143.5	139.4	124.9
Gt. Brit. (Jan.)	102.9	100.8	91.8

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. Basis: Hides — No. 1 packer light native cows: Hogs—select bacons, Toronto.

Background of Business

No Drop in Motor Output—Big Moving Day Coming—Air Transports Busy—Bread Higher—Retailers Suggest Monday Summer Closing—Big Tourist Year Forecast

Notwithstanding the epidemic of strikes which hit the American automobile industry in February, factory sales during that month and January exceeded those of the same two months in 1936 by a considerable margin. While figures for production are not yet available it is understood that the factory sales as mentioned are very close to production as usually cars are only made as ordered or to replace actual retail purchases.

Total production for January is estimated at almost 310,000 as against 298,000 in Jan., 1936, and 296,000 in February as against 224,000. Production for the same period in Canada was also very much higher as previously reported, total for the two months being close to 40,000 for passenger cars and trucks as compared with less than 27,000 for the first two months of 1936.

* * *

More May 1 Movers

Gradually increasing rents this spring are expected to result in an unusual exodus of tenants on May 1. The shifting, however, is not expected to have any particular reaction on these rent increases but merely an incidental accompaniment. Many tenants when faced with the actual increase—which runs from 5% to 10%—will probably relieve their feelings by giving notice and many of them may eventually move. But they will probably pay higher rents for their new quarters or accept something not as good.

Compromises will be reached in other cases by the landlords undertaking to carry out certain needed improvements. This was a feature of the spring moving last year when buying of wallpaper, paints, and other decorative materials rose sharply toward May 1.

* * *

Air Freight Soars

A gain of well over 50% featured Canadian air freight and express in 1936, according to a survey just published by Canadian Aviation. Approximately 27 million pounds were carried as compared with under 18 million pounds in 1935 and 14.5 million in 1934.

The bulk of this volume was carried by eight of the largest operators. The first three of which were:

	Pounds
Canadian Airways	7,750,000
Starratt Airways	3,600,000
Wings Ltd.	2,323,000

In contrast to the figures for freight and express the increase in mail was insignificant. It is estimated that this amounted to 1,154,000 pounds in 1936 as against 1,126,000 pounds in the previous year.

* * *

Miners Get Raise

Nova Scotia coal miners have voted in favor of accepting the Dominion Coal Co. offer of a new wage contract containing increases ranging from 6% to 9%. Many thousand miners are affected by this decision which covers the northern half of Nova Scotia and Cape Breton Island.

* * *

Quebec Transport Muddle

Virtual chaos in road transport in Quebec Province is predicted after April 15 if the Provincial Government does not take immediate steps to delegate the regulatory powers of the Quebec Public Service Commission to some other party. The Commission, according to Bus and Truck Transport is scheduled to disappear and so far no indication has been given as to what if any control of transport will follow.

It is feared that Premier Duplessis may not replace the commission, but may simply allow free competition at least for a time. Small independent operators have long been demanding this free competition and there have been few defenders of the big companies operating any public service, either bus lines, freight transports or any public utilities.

* * *

Bread Moves Higher

Quebec bakers have just put through their second increase in the price of bread within the last seven months. Consumers are being asked to pay another cent per loaf and a similar increase went into effect last September. All over Canada bread prices are stiffening as a result of the steady increase in price of wheat and flour. Cash wheat prices in Canada today are approximately 75% higher than those of a year ago. Bakers in Great Britain have also advanced prices on similar grounds.

* * *

B. C. Expects More Tourists

Although B. C. in 1936 closed one of the best tourist years in its history, largely as a result of the centenary celebrations in Vancouver a still larger influx of visitors is expected this season. Preparations are being made to welcome 1.5 million callers from eastern Canada, the Prairie Provinces and United States. This traffic is expected to be worth at least $35 millions or $10 millions more than last year. Estimates are based chiefly on early enquiries regarding tourist trips and reservations. Anniversary celebrations in 125-year-old Kamloops, and Victoria which exactly 75 years ago was incorporated as a city, are expected to boost this year's travel.

* * *

Britain Short of Skilled Labor

Whaley-Eaton Service comes to the conclusion that practically all the skilled labor in Great Britain is employed. Statistics show 1.6 million unemployed but it is estimated that less than a million of these can be classed as truly employable. Of these, it is stated, none are skilled and few represent proper material for skilled labor. There is evidence that some sections of industry are operating inefficiently through being forced to use partially trained men and all industrialized nations, states Whaley-Eaton, face the same problem though perhaps not in such acute form.

Industrial activity in Britain in 1936 represented an advance of almost 10% over 1935 with the largest single gain being made by the iron and steel industries which advanced almost 20% and with engineering and ship building next with a gain of 17%.

* * *

Oppose Saturday Closing

Winnipeg down town merchants have endorsed a plan which would permit one full day holiday for all employees throughout the year. This plan is submitted as an alternative to the suggested proposal of the city council that all stores be closed Saturday afternoon. The merchants would much rather have the half holiday on Wednesday pointing out that volume on Saturday ranks very high in the retail trade particularly in regard to the groceries, retail clothing and haberdashery.

Winnipeg retailers are agreeable to having Mondays declared a full holiday in July and August and point out that this would give their employees a longer summer week end as is now enjoyed by any office workers and at the same time they would not lose the lucrative all day Saturday trade.

They further point out that they have no objection to compulsory half holidays throughout the year providing it is not on Saturday and also provided that it applies to all merchants not only in Winnipeg but throughout the whole province. A uniform half holiday, they state emphatically will affect all equally but if one section closes on one half day when another section of the city or province would remain open then there would be a loss of trade. Optional and alternative closing it is asserted is confusing and damaging.

* * *

Selling More Hardware

In keeping with the higher prices being quoted elsewhere in the Dominion western Canada hardware firms have jacked-up prices generally. Nails, screws and other iron and steel products have been raised. Early spring business is beginning to appear in the western provinces, says Hardware and Metal and present indications are the most promising in several years. Ultimate volume, of course, will depend largely on the crop which farmers are now getting ready to sow.

* * *

Check-up on Drugs

Faulty drafting in the recent Ontario bill prohibiting the sale of codeine and similar habit-forming drugs except on a doctor's prescription would actually prevent incorporation of mild quantities of these drugs in a number of commercial preparations. Dr. Kenneth G. Gray, solicitor of the Ontario Department of Health, however, tells Drug Merchandising that such a move was not intended. The section of the regulations has since been redrafted so as not to interfere with well-known medicinal preparations providing, however, that certain maximum quantities are not exceeded. When the first reading of the bill was announced, many druggists were under the impression that it would even regulate over-the-counter sales of proprietary remedies.

* * *

Holidays With Pay

Employees of the Imperial Tobacco Co. of Canada who have been in continuous employ at the company for 18 months will receive one week's vacation with full pay each year. It is estimated that this will include over 2,600 employees of the company.

Strike at Burns Plant Believed Nearing End

From Our Own Correspondent

VANCOUVER.—Dispute between employees and management of the Burns & Co. packing plant here is nearing an end following a series of conferences under the chairmanship of Justice J. Charles McIntosh, commissioner.

A strike has been in progress at the Burns plant since the first of the year, and the strikers have picketed several retail stores handling Burns products carrying placards urging boycott.

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Trades Union Endorsation Hailed as Victory for Lewis Group

RANKS GROWING

From Our Own Correspondent

SYDNEY, N.S.—John. L. Lewis' drive to organize 4,000 steel workers in eastern Nova Scotia has been intensified after passage by the Nova Scotia Legislature of a bill seeking to give trade unions in Nova Scotia "legal status" and the right to allow collective bargaining. The bill also gives employees the right for check-off for union dues, where such check-off already existed for any such purposes. It would be provided that should a reasonable majority of employees wish it, upon their request, their employer is to make such a deduction from their wages for union dues. The bill was introduced by Opposition Leader G. S. Harrington and accepted by the Government.

Organization of the Amalgamated Tin, Iron and Steel Workers of North America in Sydney, N.S. and Trenton, N.S. has been under way for the past few months under the direction of President D. W. Morrison and executive officers of the U.M.W. They claim a membership at the present time of 1,800 among the 3,000 steel workers employed at the Sydney steel mills and a membership of 1,000 among the 2,000 steel employees working at Trenton, N.S.

The passing of the Trades Union Act by the Nova Scotia Legislature has been acclaimed by C.I.O. leaders here as a distinct triumph, and extensive organization of the remaining steel workers at Sydney and Trenton, N.S. will get under way immediately.

Meanwhile C.I.O. leaders in Cape Breton are continuing their efforts to organize other classes of labor. A membership of 600 is claimed in a clerks' union which has been organized at Glace Bay. The organization is made up of clerks employed in stores. The coming weeks will see organization extended to clerks at New Waterford and Sydney, C.I.O leaders promised. At Glace Bay union cards are being displayed in stores where clerks are 100% in the new union.

IN THE FIFTH YEAR OF RECOVERY

A brief review of the extent of Canadian economic recovery together with a graphic presentation of certain economic indexes for a number of years, are available in our April Investment Letter, a copy of which will be furnished upon request.

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This is nothing less than an out-and-out challenge by Studebaker to all nine other makes of 6-cylinder cars : : : a challenge that invites you to decide which six is best to buy, not on the basis of shopworn adjectives but of first hand facts!

Studebaker bars no six offered in this country from this competition for your favor. Studebaker fearlessly agrees to measure the 1937 Dictator against the whole field of sixes—higher priced, equal priced, or lower priced. Studebaker agrees to do it on any basis you name... specifications, performance, economy, and safety.

But in all fairness let us warn you that the 1937 Dictator is the world's first six offering the dual economy of the Fram oil cleaner and the gas-saving automatic overdrive... the world's first six offering automatic hill holder plus hydraulic brakes... the world's only six with non-slam doors.

See it... drive it... and you will understand why Studebaker so confidently makes this challenge.

STUDEBAKER'S C. A. C. 7% BUDGET PLAN OFFERS LOW TIME PAYMENTS

The Studebaker Corporation of Canada Ltd.
Walkerville, Ont.

New Building and Export Trade Point to Further Big Expansion In Canadian Steel Industries

Engineering Projects Lead All Other Steel-using Construction Groups — Great Britain May Make Heavy Export Demands

Two important economic influences are operating to bring about what may prove one of the biggest booms in the history of Canada's steel industry.

(1) The now clearly defined revival in construction, in which engineering projects requiring large amounts of structural steel are leading all other classifications.

(2) The probability that Great Britain will be compelled to fill many of her steel requirements in Canada owing to the inability of British producers to keep pace with new and heavy demands for armament and industrial purposes.

The current position of the industry is one of feverish preparation for enlarged production but the play of domestic and external factors in the outlook for Canadian steel producers makes it difficult to estimate the exact extent to which expansion efforts will be required. The domestic situation alone, in relation to the construction revival, is sufficient to account for much of the present plant extension by such companies as Steel of Canada and Dominion Foundries and Steel, but if the recent development pointing to a heavier export demand is also considered, the whole scope of the steel industry's prospects this year and next is tremendously widened.

Construction Figures

Latest figures covering contemplated construction in Canada, reported up to the end of March, place the total at no less than $134.7 millions, compared with $64.6 millions in the corresponding period of 1936. March, first month in which spring construction figures can be regarded as significant of the actual volume of building, revealed that of construction contract awards reported by MacLean Building Reports Ltd. at $16 millions, more than a third, or $5.5 millions, were for engineering construction.

The total of March awards is almost twice that of February, but the preponderance of engineering in relation to other single groups is doubly significant from the standpoint of the steel industry. It is the group in which large amounts of steel are essential, and in addition the totals of $4.7 millions for business structures and $2 millions for industrial building, also indicate substantial increases in the use of steel products for structural purposes.

When it is noted that the March awards alone represent a gain of almost 100% over the March, 1936, figure of $8.7 millions, the steel requirements affected by the construction revival are obviously running at a level far in excess of last year.

Steel of Canada

As long ago as last October indications were given of the necessity for further replacement of obsolete equipment at the Steel Company of Canada's plant in Hamilton. At that time it was decided to build a new 150-ton open hearth furnace, replacing some of the older units, and in January of this year the second phase of the company's construction programme was commenced.

A $225,000 superstructure for the No. 2 open hearth furnace, on foundations costing $65,000 was being built, and the company is now contemplating a $75,000 third-story addition to its nail building at Hamilton.

Dominion Foundries

Dominion Foundries and Steel increased its production by 25% in 1936 but early this year it was indicated that the company will increase the capacity of its open hearth and plate mill by 50% in the near future. The new tin plate mill is completed and producing 100 tons of cold reduced tin plate daily, but demand for the new product has already reached a point beyond the capacity of the present installation.

New bookings for various products and improved production methods are expected to reflect themselves in earnings of the company this year but from a production standpoint it now appears that Dominion Foundries, like other units of the steel industry, is in a position to again consider extension of existing production facilities. Its new cold reduction process at Hamilton is an important factor in production and there is apparently no limit to the market for the products manufactured by the process, according to trade authorities. The process is used to produce steel for wire ropes, boiler plates, high-grade alloys and low-cost steel.

Algoma Steel Corp.

Creation of a "steel empire" with Sault Ste. Marie as the "Pittsburgh" of Canada is the object of the huge expansion programme of Algoma Steel Corp. on which some $10 millions may be spent over the next five years.

Algoma Steel's plans call for opening iron ore deposits and erecting a flat steel mill as well as other extensions to the existing Sault Ste. Marie plant. Two of the chief products of the company will be tin plate and sheet steel, both of which are produced to a limited extent at the present time by Dominion Foundries and Steel.

Dominion Steel and Coal

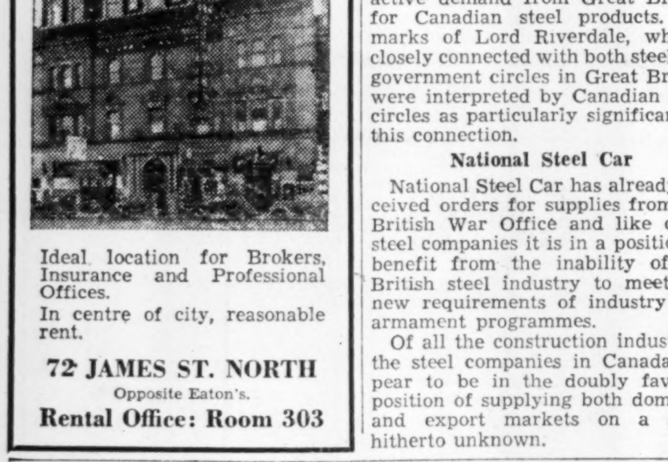
Dominion Steel and Coal, operating in the maritime area of Canada, is experiencing vastly improved business. At the time of the visit of Lord Riverdale, head of Arthur Balfour and Co. of Sheffield, it was reported that Dominion Steel and Coal may become an important exporter of steel, pig iron and billets to Great Britain. Of less immediate connection with the domestic construction industry, Dosco is nevertheless a unit of the steel industry which could benefit to a marked extent from active demand from Great Britain for Canadian steel products. Remarks of Lord Riverdale, who is closely connected with both steel and government circles in Great Britain were interpreted by Canadian steel circles as particularly significant in this connection.

National Steel Car

National Steel Car has already received orders for supplies from the British War Office and like other steel companies it is in a position to benefit from the inability of the British steel industry to meet the new requirements of industry and armament programmes.

Of all the construction industries, the steel companies in Canada appear to be in the doubly favored position of supplying both domestic and export markets on a scale hitherto unknown.

FEDERAL BUILDING
HAMILTON



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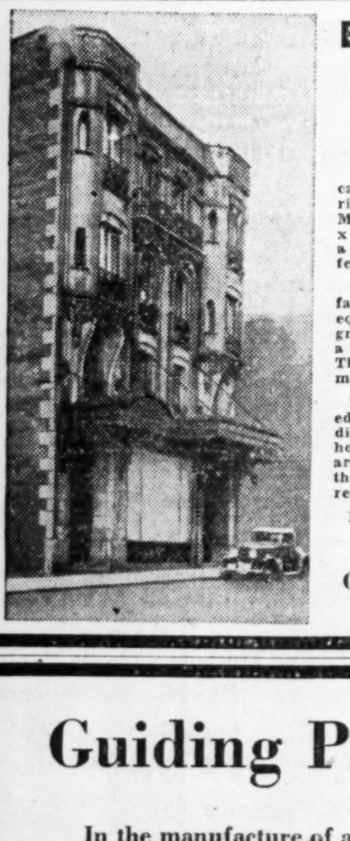
Opposite Eaton's.
Rental Office: Room 303



Exceptional Opportunity in MONTREAL

This fireproof building is centrally located, about 160 feet North of St. Catherine Street, near The Robert Simpson, Montreal, Limited store and measures 44 x 94 feet with warehouse 22 x 30 feet, on a lot of land with dimensions of 66 x 94 feet, to lane in rear.

The building includes cold storage facilities measuring approx. 10,000 sq. feet, equipped with 2 25-ton ice machines. The ground floor, 44 x 94 feet, is suitable for a fur store or high class provision market. The three upper floors contain 13 apartments, all rented.

This property is particularly well situated in the heart of the best retail shopping district, in close proximity to the large hotels, railway stations, etc. The owners are prepared to sell the property or rent the ground floor and warehouse on a reasonable basis.

Inquiries invited.

BANQUE CANADIENNE NATIONALE MONTREAL

Guiding Principles

In the manufacture of all G. L. A. products the questions of quality, uniformity and durability receive preferred attention. This policy has governed the operations of the Company since its inception 51 years ago.

Gypsum, Lime and Alabastine, Canada, Limited

Head Office: Paris, Ontario, Canada

Vancouver Calgary Winnipeg Toronto Montreal

Ontario Leads In Construction

By far the larger part of current construction activity is taking place in Ontario. March figures for all types of construction in March show the following divisions by provinces:

Construction Awards by Provinces

Province:	$ Value
Ontario	8,875,600
Quebec	3,920,800
British Columbia	2,162,200
Nova Scotia	493,500
Manitoba	306,400
New Brunswick	116,300
Alberta	98,900
Saskatchewan	75,600
Prince Edward Is.	8,800

Work Is Under Way On Vancouver Bridge

From Our Own Correspondent

VANCOUVER. — Construction of the Lion's Gate bridge at First Narrows, entrance to Vancouver harbor—the biggest construction job in British Columbia in several years—is now under way. The project involves expenditure of about $7 millions, practically all of which is subscribed by British capitalists headed by Lord Southborough.

Eighty men are at work preparing the approach to the bridge through Stanley Park, and full gangs of several hundred men will soon be working on both the north and south shore approaches. Contractors for the bridge sub-structures, will start on the foundations immediately. The entire job is to be completed by September, 1938.

EMPLOYER AND LABOR

Wallace R. Campbell, president of Ford Motor Co. of Canada, helping a steam shovel load the first truckload of earth excavated from the site for the new Ford $3.3 millions body building and final assembly plant at Windsor, Ont. Erection of steel is scheduled to get under way April 21. The new factory, which will enable Ford to still further increase its Canadian labor content in cars and trucks, will be ready for operation in the autumn.

In The Construction World

Soaring commodity prices, including those of building materials, would threaten the present sound revival in Canadian construction.

Any reference to indices or price trends will reveal the extent of the rise in both labor and material costs to date—and neither is impressive beyond the implication that both are subject to influences which may get out of control—but there are four reasons why the element of uncontrolled costs could wreak disaster to Canadian construction. They are:

(1) Speculative participation in the natural price rise of metals, lumber and other building materials during a period when demand is exercising its influence on supply.

(2) Increased wage costs coupled with an evident shortage of skilled labor in the more technical branches of the building trades.

(3) Return of the large profit margin in contractors' bids.

(4) Taxation.

Speculation cannot be controlled. Wage costs may be determined some day by the successful application of the theory of an "even keel" which is nothing more than an equitable balance between investment returns and wages commensurate with living costs. The return of the profit margin is sound business, but taxation is an unknown quantity.

All or any two factors might, however, raise the cost of building to a point where the present revival would be jeopardized. Perhaps the solution lies in a recent remark of Arthur Purvis to the effect that "co-operation" is the keynote of the trend toward revival of the building industry and reduction of unemployment in the Dominion. Extremes of any kind are particularly dangerous at the moment.

* * *

Steel Expansion Based on Peace Needs

Expansion of the steel industry in Canada is not based entirely on temporary demand from Europe or the fact that a construction revival is now under way in the Dominion. It is the result of carefully planned and conservatively managed policies extending over many years and with full realization of the raw material sources of iron ore and coal within the boundaries of the Dominion.

Steel men plan for the long term but it is reminiscent of the large profits accruing from war preparations and from war itself to read today's plans for still further enlargement of steel productivity in Canada. In 1912, one of the leading steel companies was enjoying excellent business; it improved in 1915 but there was a note of distinct scepticism in the tone of The Financial Post's answers to subscribers' enquiries during 1918. By that time war profits taxes and other compensating factors had somewhat dulled the edge of excitement from clipping coupons and cashing dividend cheques.

Steel men today are basing their expansion programmes on the long-term development of Canadian industry.

Construction Awards 100% Higher in March

Increasing almost 100% over the previous month, building contracts awarded in Canada during March reached $16 millions. They were $8.7 millions in February and $10 millions in March, 1936, according to MacLean Building Reports Ltd.

Total for the first three months of the year is $31.4 millions or slightly under the $32 millions reported for the corresponding period of 1936.

Contemplated building at the end of March, however, amounting to $52.8 millions, is the highest monthly figure since September, 1931. Contemplated work reported for the first three months of the current year is $134.7 millions, a rise of 108% over the corresponding 1936 figure of $64.6 millions.

Engineering Leads

Engineering continues to provide the bulk of dollar volume with $5.6 millions reported in this classification during March. Residential construction accounted for $3.7 millions; business for $4.7 millions and industrial construction for $2 millions.

Apartments, residences, factory additions and power developments are included in a number of projects for which contracts were let in March to a value of $100,000 or more. The largest items reported in March were the international bridge over the St. Lawrence River at Ivy Lea, Ont., to a total of $2.5 millions and a power plant at Ruskin, B.C., at $1.5 million.

The Abitibi Canyon power development addition at $500,000 and a department store in Montreal at $500,000 were also among the larger items.

Canadian Construction Contracts Awarded

	March, 1937		Feb., 1937		March, 1936	
	No.	$ Value	No.	$ Value	No.	$ Value
Apartments	25	556,800	23	649,500	15	530,200
Residences	1,054	3,158,600	808	2,381,500	550	1,574,300
Total residential	1,079	3,715,400	831	3,031,000	565	2,104,500
Churches	23	213,500	29	63,300	11	84,200
Public garages	49	236,000	23	79,700	23	86,600
Hospitals	11	578,200	2	2,700	8	119,700
Hotels, clubs	34	179,200	22	56,200	25	136,300
Office bldgs.	52	1,400,900	30	1,012,900	44	238,000
Public bldgs	25	150,800	38	433,200	16	127,300
Schools	28	231,600	11	28,700	12	125,200
Stores	180	1,120,000	152	404,900	172	741,700
Theatres	4	111,000	8	138,800	6	130,000
Warehouses	61	468,800	41	424,000	30	136,400
Total business	467	4,690,800	356	2,644,400	347	1,925,400
Total industrial	69	2,093,300	59	2,018,100	41	1,243,000
Bridges	4	2,516,000	4	22,400	3	85,000
Dams, wharves	5	33,500	5	65,300	4	67,900
Sewers, watermains	9	386,600	4	26,200	9	160,700
Roads and streets	8	64,100	5	165,000	15	87,500
Gen. engineering	50	2,558,400	43	756,400	33	4,615,100
Total engineering	76	5,558,600	61	1,035,300	64	5,016,200
Grand total	1,691	16,058,100	1,307	8,728,800	1,017	10,289,100

Contracts Awarded

	No.	$ Value
3 months, 1937	4,219	31,409,100
3 months, 1936	2,480	32,127,200
3 months, 1935	2,947	29,391,300
3 months, 1934	2,341	19,855,500

Contemplated Construction

	No.	$ Value
3 months, 1937	7,187	134,738,100
3 months, 1936	4,466	64,653,700
March, 1937	2,631	52,778,500
February, 1937	2,625	40,014,400

Company Reports

Abitibi Power & Paper

G. T. Clarkson, receiver and manager for Abitibi Power & Paper Co., reports a net balance of earnings of $2,185,189 available for depreciation and toward bond interest for 1936, compared with 1,205,186 in 1935. Before allowing for depreciation, the 1936 balance was equivalent to 4.53% on the $48,267,000 of 5% first mortgage bonds, compared with 2.5% earned on this basis in 1935. In 1931, the last complete year prior to receivership, the company charged $1.3 million to depreciation.

Nominal Surplus

The nominal surplus prior to the receivership, which commenced Sept. 10, 1932, was increased by approximately $441,000 in 1936. Compared with the receiver's earned balance since 1932, the pre-receivership surplus indicates total balance sheet values in excess of the par value of preferred shares and above the book value of some $17.40 a share for the common stock. However, the auditors, Price, Waterhouse & Co., comment that provision has not been made for interest accruing since Sept. 10, 1932, on the 5% first mortgage bonds, nor for depreciation and amortization of properties. The accrued bond interest alone would be sufficient to absorb the total nominal surplus of $12.2 millions without allowing for depreciation. The auditors also make their certificate subject to qualification as to the values at which properties and investments in subsidiaries are carried on the books. Finally, there is about $12.4 millions of arrears of preferred dividends to be considered. At least nominally, the deferred depreciation, deferred bond interest and arrears of preferred dividends are in excess of the book equity shown for the common shares.

Receiver's Results from Operations
Years Ended Dec. 31

	1936	1935
	$	$
Income:		
Sale of newsprint, pulp	14,662,751	10,906,209
Sale of power	312,134	325,971
Less: Oper. costs	12,052,486	9,357,033
Disc. U. S. funds	3,221	......
Add: U. S exch. rec.	......	38,452
Int., disc. earned	46,217	39,819
Sundry oper. profits	21,774	25,403
Doubtful accts. w/b	......	100,000
Prov. Paper divid.	......	100,000
Net income	2,987,169	2,178,821
Less: Int. on advs.	229,683	221,190
Cost of reports	3,114	3,092
Int. on contracts	40,919	163,675
Idle property costs:		
Idle mill costs	193,687	196,972
Taxes, mill & townsites	78,223	74,238
Timber concessions	83,404	67,725
Legal, audit exps.	48,000	48,000
Receiver's remuner.	48,000	48,000
G. H. Mead Co. inc. tax	21,664	......
Amt. w/o pulpwood	......	50,000
Amort. of G. H. Mead shs.	......	100,000
Exps. re bondholders' meeting	......	743
Cost of spec. reports	53,185	......
Liquidator's exps.	2,101	......
Bal. avail. for deprec. & bond int.	2,185,189	1,205,186
Add: Prev. balance	3,195,675	1,990,489
Adjustments	62,673	......
Accumulated bal. under receivership	5,443,537	3,195,675

Nominal Surplus Prior to Receivership

	1936	1935
	$	$
Previous balance	6,321,324	6,271,994
Add: Adjust. of res. prov. in 1932:		
Accounts rec.	200,000	......
Investments	97,510	47,575
Inventories	143,443	......
Miscellaneous	......	1,755
Nominal surp. forward	6,762,277	6,321,324

Working Capital Position

	1936	1935
	$	$
Current assets:		
Cash	393,489	223,301
Accounts rec.	3,080,288	2,431,252
Inventories	3,072,701	3,647,115
Inv'ts in bonds	71,350	72,150
Total	6,617,828	6,373,818
Current liabilities:		
Wages accrued	85,875	64,383
Accounts payable	640,652	538,584
Receiv'rs certificates	3,650,000	4,008,000
Total	4,376,527	4,610,967
Net working capital	2,241,301	1,762,851

Disher Steel

Improved working capital and increased earnings are shown by the report of Disher Steel Construction Co. for 1936.

Operating profit for the year amounted to $25,394, compared with $3,258 in 1935. After providing for income tax and full depreciation, net profit amounted to $5,223. This is the first time since 1931 that the company has reported a profit.

During the last six months of 1936 volume of business was 2½ times greater than in the first half of the year.

C. E. Disher, president, states that the company is in an excellent position to benefit immediately by any demand for services. Orders on hand to date this year represent a substantial increase over the corresponding period of 1936.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net earnings	25,394	3,258
Less: Depreciation	19,136	7,758
Income tax	1,035	......
Net profit	5,223	*4,500
Add: Previous surplus	8,678	13,178
Balance carried for.	13,901	8,678

*Deficit or loss.

Working Capital

	1936	1935
	$	$
Current assets	104,477	74,529
Current liabilities	10,513	3,557
Working capital	93,964	70,972

Eastern Theatres

Eastern Theatres Ltd., operating the Imperial Theatre, Toronto, reports net profit equivalent to $1.15 a share on the 7% preferred stock in 53 weeks ended Dec. 31, 1936. This compares with $1.70 a share in 52 weeks in 1935.

Although earned surplus was decreased by $27,765, chiefly due to payment of full preference dividends of $7 a share, working capital rose by $12,614, reflecting accumulation from the substantial depreciation charge.

Income and Surplus Account

	53 wks. to Dec. 31 1936	52 wks. to Dec. 26 1935
	$	$
Net earnings	42,750	40,790
Add: Interest rec.	4,887	7,660
Less: Depreciation	40,815	38,625
Income taxes	1,091	1,326
Net profit	5,731	8,499
Less: Pref. dividends	35,000	35,000
Deficit for year	29,269	26,501
Add: Prev. surplus	113,470	129,444
Profit on bonds, etc.	1,993	11,251
Less: Tax adjust.	489	724
Surplus forward	85,705	113,470

Working Capital

	1936	1935
Current assets	245,000	233,311
Current liabilities	3,214	4,139
Working capital	241,786	229,172

Hamilton Bridge Co.

Hamilton Bridge Co. and its wholly-owned subsidiary, Western Bridge Co., reports an improvement of $167,672 in operating results in 1936, net profit for the year before depreciation amounting to $76,465, compared with a loss in 1935 of $91,207.

Hamilton Bridge Co. operated at a profit of $73,870 and Western Bridge Co. at a profit of $2,595, compared with losses for the previous year of $62,623 and $28,584 respectively.

Sales for the year were 65% higher than they were in 1935.

Capital expenditures made during the year amounted to $21,217 which consisted principally of further improvements to the plant of Western Bridge Co.

Cons. Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	96,921	*78,314
Add: Int. on invests.	1,484	5,872
Profit on sale of secs.	2,054	......
Less: Executive salaries	16,590	16,590
Directors' fees	3,125	2,175
Legal expense	146	......
Corporation taxes†	4,132	......
Surplus for year	76,466	*91,207
Less: Previous deficit.	103,767	12,560
Deficit carried forward	27,301	103,767

†Provincial corporation tax and adjustment of life insurance cash surrender value.
*Deficit or loss.

Working Capital

	1936	1935
	$	$
Current assets	513,548	572,508
Current liabilities	196,440	303,313
Working capital	317,108	269,195

Collingwood Terminals

Collingwood Terminals, operating a grain elevator at Collingwood, Ont. had operating revenue of $88,607 in 1936 against $83,074 in 1935. After payment of interest and other charges, loss for the year was reduced to $7,980 compared with $13,459 in 1935.

A reduction of $22,000 has been made in the mortgage payable to the town of Collingwood and this item now amounts to $654,000.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Oper. revenue	88,607	83,074
Less: Oper. exps. & taxes	34,426	35,056
Oper. profit	54,181	48,018
Add: Profit on secs.	195	2,790
Less: Depreciation	27,000	27,000
Amort. of deb. exp.	1,642	1,642
Interest	33,714	35,625
Loss for year	7,980	13,459
Add: Prev. deficit	28,402	14,943
Deficit forward	36,382	28,402

Working Capital

	1936	1935
Current assets	48,445	58,369
Current liabilities	410	8,470
Working capital	48,035	49,899

National Pole & Treating

In 1936 National Pole & Treating Co., controlled by Minnesota and Ontario Paper Co., experienced a fair increase in sales but almost a corresponding increase in expenses. Net loss for the year, after all charges, was about the same as in 1935.

On Dec. 1, 1936, note holders representing 75% of the company's $1,710,800 of 6% secured gold notes, due Dec. 1, 1936, had accepted the plan for extending the maturity for five years. It is believed that a sufficient number of acceptances will be received to avoid the necessity of reorganization proceedings under Section 77B of the United States Bankruptcy Act.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net sales	1,302,535	1,007,530
Less: Cost of sales	1,209,793	1,053,858
Gross profit	92,742	*46,328
Less: Sell., admin. exp.	147,193	124,054
Oper. loss	54,451	170,382
Less: Other income	6,561	6,049
Net oper. loss	47,890	165,333
Add: Bond interest	102,657	131,364
Amort. debt exp.	18,820	21,804
Less: Misc. credits	58,587	194,388
Net loss	110,780	97,132
Less: Prev. surplus	858,695	955,827
Surplus forward	747,915	858,695

*Loss.

Working Capital

	1936	1935
Current assets	1,769,403	1,874,610
Current liabilities	70,966	71,440
Working capital	1,698,437	1,803,170

PARENTS should know about this—

The Tuberculin Test

The doctor injects a liquid called tuberculin into the skin. Later, by the appearance of the skin around the injection, he can tell whether or not the germs of tuberculosis have previously entered the body.

IN many of the foremost schools and colleges, students are given tuberculin tests and also X-ray examinations, when they seem advisable. The tuberculin test shows whether or not a boy or girl has picked up germs of tuberculosis. If the test shows that germs are present, X-ray pictures help to reveal whether or not the germs have done any damage.

In the schools where it is convenient to do so, mothers are invited to be present at the time the test is made. It is important that all parents should more fully understand how the early discovery of tuberculosis and proper treatment may prevent future danger.

The tuberculin test is in no sense a preventive, or a cure. When followed by X-ray pictures that show trouble is brewing, it points the way to modern, scientific treatment of the patient.

In case your child does not attend a school which provides the tuberculin test and X-ray examinations, you will probably wish to consult a physician. He can arrange to have these life-saving precautions taken in his own office or elsewhere. Tuberculosis, especially in the beginning, can almost always be brought under prompt control.

When the familiar symptoms appear—a persistent cough, pain in the chest, loss of weight, undue fatigue, lack of appetite, chronic indigestion—the situation is serious and no time should be lost. They indicate that the disease is active, and that the battle with mankind's oldest enemy should begin in earnest.

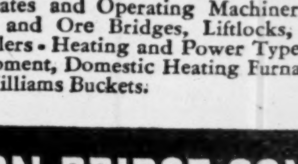
In Canada great progress has been made in fighting tuberculosis. But there are still thousands sick with this disease. Efforts in fighting this stubborn enemy should be increased until it has disappeared like other life-destroying plagues which have been conquered by modern science.

Send for the Metropolitan's free booklet "Tuberculosis." Address Booklet Dept. 4-F-37.

Keep Healthy—Be Examined Regularly

METROPOLITAN LIFE INSURANCE COMPANY
CANADIAN HEAD OFFICE—OTTAWA

FREDERICK H. ECKER, Chairman of the Board



LEROY A. LINCOLN, President

SERVING CANADA SINCE 1872

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Steel Structures, Railway and Highway Bridges, Plate and Tank Work, Electric and Hand Power Cranes, Hydraulic Regulating Gates and Operating Machinery, Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Forgings, Boilers • Heating and Power Types, Coal Pulverizing Equipment, Domestic Heating Furnaces, Mining Equipment, Williams Buckets.

DOMINION BRIDGE COMPANY LIMITED

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AMHERST MONTREAL OTTAWA TORONTO WINNIPEG REGINA CALGARY EDMONTON VANCOUVER

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Int. Power

Please let me know the amount of arrears of dividends on International Power Co. preferred stock. Also can you tell me something of the results for 1936?

International Power Co.'s preferred stock was in arrears to the extent of $27.75 a share at the end of 1936. There has been a steady improvement in the company's position. It is rather difficult to give you an up-to-date picture of the company's finances owing to the delay in issuing the annual report. The 1936 statement is not expected to make its appearance for another two or three months. Gross earnings of subsidiaries increased to $5 millions in 1935 as compared with $4.5 millions in 1934, when net income available for dividends to the parent company increased to $608,513 as compared with $536,233 in 1934. The fact that the company is paying regular quarterly dividends of $1.50 a share on the preferred stock, would indicate that earning power has been maintained if not increased during 1936.

C. S. L.

Is there likely to be a sharp rise in the value of Canada Steamship Lines securities this year?

Appreciation in the market value of Canada Steamship Lines securities depends upon a recovery in the company's earning power. This, in turn, depends upon the volume of grain traffic available for movement from the head of the lakes to the Atlantic seaboard. Indications are that there will be a limited amount of grain for handling this spring. However the prospects of the company have been considerably improved as a result of the recapitalization and on the basis of earnings over the last two or three years, the company should be able to carry its funded debt.

Investment Foundation

Will your kindly give us an idea of the financial set-up of Investment Foundation Ltd.? We understand that the company was paying dividends on the common shares, but with the preferred still in arrears we do not see how this can be done.

Investment Foundation Ltd. is not paying a dividend on its common stock; in fact, no dividends have been paid on it since the company was organized. After the payment of the regular dividend and the special dividend on account of arrears on April 15 next, the preferred will be in arrears to the extent of $5.75 a share. At the end of the last fiscal year, Investment Foundation had outstanding $1,489,500 of 6% cumulative convertible preferred stock and 70,000 shares of common stock. The equity behind the preferred stock has increased from a low of $32.38 a share in 1933 to $72.96 a share in 1936. This compares with a par value of $50. During the same period, the equity behind the common has advanced from a deficit to $7.32 a share. Net earnings for the year ended March 31, 1936, of $89,922 were only slightly higher than earned in the previous year. Earnings per share totalled $2.61, the largest reported since 1931, comparing with dividend requirements of $3 a share on the preferred stock. General improvement should be reported for the year ended March 31, 1937.

Bruck Silk

Will you please let me have your views on Bruck Silk Mills stock? Have earnings been on a satisfactory basis?

Bruck Silk Mills recently experienced a very sharp decline in earning power, with the result that it was necessary for the management to reduce dividends on the common stock. At the annual meeting held last Dec. 23, the president reported that for the first month of the current fiscal year (November) the company's sales were 20% higher than for the same month a year ago. Net profit for the year ended Oct. 31, 1936, was $2,475, a substantial drop from the $150,312 in the previous year. Earnings per share on the common stock were two cents in 1936, as compared with $1.20 in 1935.

Price Bros.

I have a number of shares of Price Bros. preferred. As you know this has not paid any dividends for some time. I see this is quoted around 145. May I enquire what is the attractive side of this that would bring it up so far above par?

The substantial advance in the value of Price Bros. preferred has been due to the fact that the capital reorganization has been carried out along lines favorable to the old shareholders. Moreover, the company's operating position has improved, while the selling value of its products shows promise of rising to a considerably higher level. Anticipations are that earnings of the company over the next two or three years will show a very substantial increase, giving rise to the hope that dividends will be instituted on the new capital stock before long. Under the terms of the reorganization, the old shareholders receive in exchange for their present 6½% preferred stock, 5½% preferred stock, cumulative from Jan. 1, 1939, and 1¾ shares of common stock for each share of preferred stock now held.

Bathurst

I would like to have a report on Bathurst Power and Paper Co. Is the company well regarded and what are the prospects of a dividend?

Bathurst Power and Paper Co.'s financial statement for 1936 is expected to show an improvement in earnings over the year before. At present the company has under way a programme of expansion and improvements, involving a substantial outlay. When completed, it is expected this programme will result in increased production which in turn should benefit earnings.

Financially the company is in a strong position, but the expense involved in the current programme will probably prevent the management from paying out anything in the way of dividends for time being.

Debenture & Securities

Can you give a recent report on Debenture and Securities Corp. of Canada?

The annual report of Debenture and Securities Corp. of Canada shows net profit for 1936 equivalent to $3.50 a share on the preference stock as compared to $2.48 a share in 1935. The number of preference shares outstanding has been reduced to 2,907 in 1936 from 3,329 in 1935. Payment of dividends on this stock was resumed in 1936 and 1% was paid on July 2, and 4% on Jan. 2, 1937. After these payments preference arrears amount to 20%. Ranking ahead of the preference stock this company has $98,000 of debenture maturing Oct. 1, 1946, a secured call loan of $150,000 and bank advances totalling $200,000. The investment in stocks and bonds held by the company Dec. 31, 1936 totalled $1,248,825 and had a market value of $1,353,312. Through an adjustment in book value of investments carried, the company has been able to eliminate a deficit and shows a surplus as of Dec. 31, 1936, of $136,910.

C. W. Lindsay

I would like to know what is the business of C. W. Lindsay Co., whether they have any outstanding bonds, and what is the financial standing.

C. W. Lindsay and Co. operates a number of stores in Montreal, Quebec, the Ottawa Valley and Kingston for the distribution of musical instruments and electrical apparatus. Capitalization consists of $400,000 of 6% first mortgage bonds; $498,300 of 6½% cumulative preferred stock and 33,008 shares of common stock. The company has maintained a strong liquid position throughout the depression. Earning power, on the other hand, has naturally declined with the restriction in public buying power. However, there has been a gradual improvement since 1933 and in the fiscal year 1936 the operating loss amounted to only $33,525. The report for the year ended Feb. 28, 1937, will not make its appearance until some time toward the end of April. Expectations are that the company will be able to show an improvement in operating results. Bond interest has been paid regularly, but the preferred stock is in arrears since March 1, 1933.

Can. Paperboard Bonds

What is the position of Canadian Paperboard Co. 7% bonds?

Canadian Paperboard Co.'s 7% bonds, due April 1, 1937, were defaulted on April 1, 1930. In 1933 the company was reorganized, bondholders receiving one preference share for each $100 principal amount of bonds and one new common share for each $400 principal amount of bonds. Since April 11, 1934, the company's plants have been leased to Gair Co., Canada, Ltd. In February of this year shareholders approved sale of the company's property to Robert Gair Co. of New York. The purchase price is $612,500, part of which is payable in 6%, 40-year income notes issued by Robert Gair Co. Actual cost of winding up the company's affairs is not known, but it is expected that a payment in excess of 30 cents on the dollar will be made on each preference share, with nothing being available for distribution to common shareholders.

Dominion Bridge

Will you please comment on the position and prospects of Dominion Bridge?

Dominion Bridge Co. reported new business entered during the fiscal year Oct. 31, 1936, as 46% larger than that entered in the previous fiscal year, but much of this business has not been completed and is, therefore, not reflected in earnings for the year. Operating profit in 1936 amounted to $287,019. Due to an increase of nearly $127,000 in profit on bonds sold, net profit for the fiscal year 1936 amounted to $291,612 as against $235,233 in the previous year. Earnings per share totalled 57 cents and in order to maintain dividends it was necessary to draw upon surplus. Financially the company is in a strong position, with a net working capital at the end of last October of $7.3 millions. There does not appear to be any indication of a change in the dividend policy and as the outlook appears promising for an increase in new construction, it is anticipated that the company will be able to earn the current dividend of $1.20 a share in 1937.

Donnacona Paper

Will you please give us latest information on Donnacona Paper Co.?

Donnacona Paper Co. earnings last year were the best reported since 1931. After providing for bond interest, there was a balance of $103,943 which was written off to depreciation and depletion reserve. Under the plan of reorganization carried out last year, interest charges will tend to increase until 1938 when they are on a fixed basis of 4½% annually. Currently the company is doing a better business and the prospects are considered good. Moreover the company has under way a plan of expansion and if the anticipated increase in earnings therefrom is realized, the company may show substantial earnings on the class A stock.

Goodyear Common

Does it appear likely that Goodyear Tire & Rubber Co. of Canada will have earnings sufficient to maintain common dividends at the 1936 rate?

Goodyear Tire & Rubber Co. of Canada had earnings equivalent to $4.73 a share for 1936, and paid dividends in the past year of $5 a share. The regular rate of dividend on the stock has been $2.50 annually, but an extra of the same amount was paid at the beginning of this year.

President A. G. Partridge stated recently that he expected an increase in the sale of rubber products in 1937 and that the company should get its full share of the higher volume of business. The outlook for 1937, therefore, indicates the possibility that another "extra" dividend may be paid at the end of the year. The company has a working capital of approximately $9.3 millions, and is therefore well able to disburse generous dividends.

Nova Scotia Steel

I am the executor of an estate that holds $4,000 of Nova Scotia Steel and Coal 6% debentures. Can you tell me the amount of equity for these debentures, and prospects of resumption of payments?

The liquidator of Nova Scotia Steel and Coal has not issued a report on the company's operations or financing. As the enterprise has been in bankruptcy for several years, this makes it extremely difficult to determine the current position. From unofficial sources, we understand that the coal and other subsidiary properties of Nova Scotia Steel have been paying their way, but the steel property is still operating at a loss. For the reason stated, it is impossible to say just what is the equity back of the debentures or when interest will be resumed. It is not anticipated that interest will be paid until a reorganization has been carried out.

East Kootenay Power

Will you please let me know what you think of the safety of East Kootenay Power Co. preferred?

East Kootenay Power has substantial loans from Power Corp. of Canada which have not been funded. It may be a difficult matter for the company to finance these loans on a permanent basis. Further, earnings are only sufficient to cover interest on the first mortgage bonds and on the loans. There has been no provision for depreciation for several years. There have been no payments on the preferred stock since March 15, 1932, nor have there been any earnings available on the stock since 1933 when three cents a share was reported as compared with dividend requirements of $6 a share. The preferred is therefore an uncertain investment.

Montreal Power

Montreal Power has been recommended to me for investment. Is this a safe security?

Montreal Power stock at current levels is regarded as a stable type of public utility equity, but further appreciation in value depends upon many factors, not least of which is the political situation in Quebec. The agitation for public ownership has already resulted in the setting up of further regulatory powers by the Provincial Government. The Premier has announced the intention of increasing the Government control of utilities as well as establishing a provincial hydro system. For that reason confidence in the Quebec utilities is somewhat shaken at this time and the market for utility stocks is weak.

Canada Bud

Will you outline the position of Canada Bud stock as an investment?

Canada Bud Breweries had earnings in 1936 equivalent to $1.12 a share on its 150,000 shares of common stock compared with 91 cents a share in 1935. Two dividends of 40 cents each were paid in 1936. In the previous year the company paid 35 cents a share. No regular rate of dividend payments has been established as yet, but on the basis of a price of $9.50 a share, the yield would have been slightly over 8% in 1936. The company has been able to increase its working capital quite substantially in the past two years and at Dec. 31, 1936, net working capital amounted to $370,757. Competition in the brewing trade in Ontario is very keen but Canada Bud is fortunate in having a large percentage of its trade in bottled beers on which the margin of profit is somewhat greater than in the bulk. Sales for the first quarter of 1937 were greater than for the same period of 1936 but the year's results will largely depend on conditions during the summer months.

Richmond Building

What is the approximate market price of the first mortgage bonds of Richmond Building and is there any prospect of interest payments?

Shareholders of Richmond Building Ltd., Toronto, surrendered title to the Central Building to the holder of a subsequently placed second mortgage in Dec., 1930. The Royal Trust Co., trustee for the bondholders, has been in possession of the property since Dec., 1935. We understand that there are no immediate prospects of interest being paid on the company's bonds and that available revenues are being used to reduce tax arrears. With rental rates at present levels and 100% occupancy, all expenses and about one half of interest requirements would be earned. As the rate of progress now being made it is said that about another two years will be required to pay off tax arrears and be in a position to make distribution to bondholders. Interest due July, 1933, and later has not been paid. The bonds are currently bid about 25.

Algoma Central

Is there any prospect of interest being paid on the 5% bonds of Algoma Central and Hudson Bay Railway?

Interest is not being paid on the 5% bonds of Algoma Central and Hudson Bay Railway. In no year during the depression have earnings been sufficient to meet bond interest and only in 1935, was any provision made for depreciation. The company's position may improve somewhat as a result of activity in the business of Algoma Steel Corp. and development of its ore property at Michipicoten. The bonds of the Algoma Central Terminals are in default to the extent of approximately $700,000 and this is a prior charge to the bonds of the railway itself. There appears to be little prospect of any immediate return to bondholders especially since there is considerable deferred maintenance.

Hamilton Bridge

What are the prospects for Hamilton Bridge Co. obtaining business that will permit a profit in 1937?

During the years 1932 to 1935 inclusive, Hamilton Bridge Co. reported deficits on operations. During the past two years, however, there has been substantial improvement and there was an operating profit in 1936. The value of the company's output increased about 60% and tonnage shipped nearly 50% as compared with 1935. Prospects for 1937 are better, especially since some revival in the heavy construction industries is in evidence. It is understood that the contract for the $4 millions superstructure of the First Narrows Bridge at Vancouver will be equally divided between the company and the Dominion Bridge Co.. Erection of several other bridges is in prospect and it is possible that the company will receive a share of this business. No dividends have been paid on the preference shares since Aug. 1, 1932, and arrears amount to $29.25 a share. A plan for liquidating these arrears may be presented in the comparatively near future. Working capital will have to be built up before dividends can be considered.

Adelaide-Peter Building

Have interest payments been maintained on the first mortgage bonds of Adelaide-Peter Building and what is the current market?

Adelaide-Peter Building, Ltd., Toronto, paid the interest coupon which became due Dec. 1, 1935, on Dec. 15, 1936. At that time it was stated that all taxes were paid to the end of 1936. The rental situation is still unsatisfactory with the result that it is impossible to pay bond interest regularly. This company was able to maintain interest payments regularly until June 1, 1935. The first mortgage bonds are quoted at 40 bid to 42 asked.

Dominion Bonds

What is the reason for the recent decline in bond interest? Will the market continue to drop?

The decline in bond prices has been due to several factors, the most important being adverse developments in foreign markets. The announcement of the huge armament programme by Great Britain resulted in a drop in bond prices in the London market and the Canadian market followed suit. Another important factor has been the expectation in some sections of the financial community that interest-rates will rise in the near future as a result of improved business conditions and new capital demands. Interest rates have been at low levels during the past two years and we are rapidly nearing the stage in business recovery when borrowing rates can be expected to increase. A further factor has been the absence of buying on the part of the institutions which are hopeful of securing higher yields.

There is considerable difference of opinion as to whether the present weakness in the market is a temporary condition or the beginning of a long decline in bond prices. From the long term point of view it seems certain that a rise in interest rates and a decline in bond prices can be expected in the next few years. For the immediate future, however, basic conditions appear to point to a continuance of low interest rates although it is improbable that the market will regain its peak of last year. Both the British and U. S. Governments are pledged to a continuance of cheap money and to a very large extent our market is governed by conditions in these countries.

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Abitibi Common

How will Abitibi Power & Paper Co. common shares fare in reorganization?

The precise results for Abitibi common shares in reorganization are uncertain, and subject to negotiation by the various interested groups of security holders and creditors. If you are considering newsprint paper shares, you might be safer for the time being at least, in those of some company that is not subject to the uncertainties of lifting a receivership.

Clarendon Properties

Will you give me any information that is available about the first mortgage bonds of Clarendon Properties?

Clarendon Properties, Ltd., formerly owned an apartment building in Toronto, but the property is now operated by the Royal Trust Co. in the interests of bondholders. The 7% first mortgage bonds are quoted around 35 bid and 40 asked. Since default of interest occurred in 1930, payment has been made as funds were available. The last payment was $12 on account of coupon No. 9, which became due May 1, 1932, and was paid Nov. 1, 1936. Earnings for the year ended Nov. 1, 1935, amounted to $44,415 and, after deduction of expenses and bond interest of $10,500, a balance of $6,279 was carried forward. Earnings are not sufficient to pay full interest on the $700,000 bond issue, but tax arrears have been paid and bondholders may expect further payments as funds are available.

Algoma Steel

Can you give any explanation of the recent decline in the market price of shares of Algoma Steel Corp?

In an article appearing in The Financial Post of March 13, it was pointed out that this stock appeared to be amply valued and that the price was based on the long term rather than the immediate prospect. Earnings for the year ending April 30, 1937, will be less satisfactory than in the year ended April 30, 1936. Lack of railway business in the first half of the current year resulted in a substantial decline in profits but a material improvement has been experienced in the last half of the year. It is not expected, however, that this will offset the decline in the first six months. The company has plans for extensive plant expansion which will necessitate heavy expenditures and the issue of $6 millions of bonds. The company does not expect to pay dividends in the near future.

International Pete

Please give me your comments on International Petroleum as a high-yielding investment.

International Petroleum Co. showed earnings of approximately $1.65 a share last year compared with the current dividend rate of $2.50 a share. However, the company has written off its properties and investments to such an extent that further deductions from earnings on this account may be regarded as partly nominal in character. Further, the company's earnings are rising due to higher prices for crude petrolum. There are indications that, if the current trend continues, the company will be able to pay the present dividends and maintain its working capital intact. In any event, the company's huge resources enable it to continue payment of dividends in excess of stated earnings for some years. In view of the large yield, however, it is possible, and would be conservative practice, to regard part of the dividend as a return of capital.

Huron & Erie

What do you think of Huron & Erie Mortgage Corp. shares for safety and investment?

Huron and Erie Mortgage Corp. appears to be well protected against losses. The company's reserve fund amounts to 30% above the $100 par value of the shares, and in addition we understand that undisclosed internal reserves are of larger amount. The company's earnings do not appear likely to rise very rapidly, because it still has debentures of comparatively high rate outstanding, and interest rates have been declining on mortgages. In recent years, however, earnings have been stabilized around $6 a share, and it therefore seems likely that the $5 dividend can be maintained.

Imperial Oil

Is Imperial Oil likely to increase its income rapidly under present conditions?

Imperial Oil Co. is paying dividends of $1.25 a share annually, but has been earning slightly less than $1 a share. The company does not seem likely to increase its earnings as rapidly as its subsidiary, International Petroleum Co. Income of Imperial Oil from International Petroleum does not seem likely to rise materially in the near future, because the producing firm is already disbursing generous dividends. Imperial Oil, under present circumstances, may be regarded as a fairly stable type of equity investment.

Home Oil

Please supply me with an analysis of Home Oil Co.

Home Oil in 1936 again became interested in oil development by the acquisition of acreage in Alberta, having acted as an investment company since the sale of its oil wells to Royalite Oil Company in 1934. Oil lands consisting of 12,521 acres in Alberta were acquired by the company in 1936 along with other investment holdings in oil companies.

Investments as at Dec. 31, 1936, consisted of shares in mining companies in British Columbia, Dominion of Canada bonds and shares in Alberta oil companies. Dividends and interest from investments for the year 1936 amounted to $41,137 as compared with $40,994 in 1935. A net profit of $22,018 resulted in 1936 as against $15,654 in 1935. This works out to earnings per share in 1936 of 2½ cents as compared with nearly two cents in 1935 and deficit earnings in the previous three years. At the same time working capital increased $3,542 in 1936 and amounted to $37,004 at the end of the year.

Interest in this company now centres in the results of development work on the newly acquired oil acreage. The company's previous experience in oil developments should be of distinct advantage in its selection of properties and in the carrying out of work.

Funds for development work are being raised by an offer of additional shares to present shareholders on the basis of one additional share for each share held as of record February 15, 1937 at $2 per share. These rights expired March 15. These rights, according to the president of the company, have been enthusiastically taken up by shareholders.

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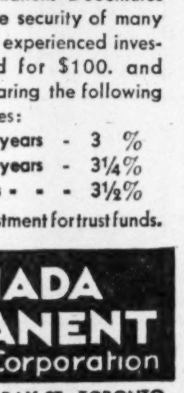

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LEADING FIGURES IN AUTO UNION PARLEYS

Above are the chief personalities in the strike-threatening negotiations between General Motors of Canada officials and a committee representing the newly-formed Oshawa local of the United Automobile Workers, C. I. O. link. The company side of the dispute is being upheld by James B. Highfield (right), general plant manager, and Col. Frank Chappell (left), industrial relations director. Centre is C. H. Millard, president of the local union and international representative of the U. A. W.

Motor City Swung Into Union Camp

(Continued from page 1)

strength into an "industrial democracy" straddling the international border.

Oshawa is the spearhead of this advance. Regarding General Motors of Canada as essentially a subsidiary of the United States corporation it has picked this company as its first objective and through its newly formed union is demanding an agreement similar to that won from the American body, to cover General Motors workers in Oshawa, Windsor and St. Catharines (McKinnon Industries).

This is the basic aim of both international and local bodies of the union and this is the one thing the company is determined not to grant.

There are other demands—seniority rights in allotment of jobs, eight-hour day and 40-hour week, time and a half for overtime, higher basic wage rates and guarantees against undue speed up methods.

Company officials declare that no serious difficulties stand in the way of settlement on these points. The real point of issue from the company's view is the threatened breakdown of the employee representation system, regarded by officials as entirely satisfactory.

In less than two months, the company has seen a conceded majority of its workers flock to the union standard, elect union supporters to employee representative councils and come forward with a demand that in future the company deal with an international organization.

According to company figures, there are 3,600 employees in the Oshawa plants, 1,700 in St. Catharines and 500 at Windsor, or a total of 5,800. The latest union report claims 3,000 members in Oshawa, about 900 at St. Catharines and 400 in Windsor—a total of 4,300 or 74%.

Company officials refuse to believe that the rapid inroads of the union in G. M. plants has sprung from any spontaneous desire of the workers for unionization. The upsurge of unionism is attributed primarily to high pressure salesmanship of the union.

Supplementing this, according to public statements by the management, was an organized campaign of abuse and intimidation. This took the form, it was reported, of persistent nagging at workers to join the union and in some cases threats of bodily harm. Letters from employees reported that cars suspended on the assembly line had suddenly been shoved together as a non-union employee passed between, that car doors had slammed on fingers, that men were tripped and shoved while trying to perform ticklish operations. Scores of employees, the company was told, had joined up to "stop being bothered" or merely in following the line of least resistance.

Intimidation Denied

According to Hugh Thompson, union organizer from Detroit such intimidation, if used, was the work entirely of overzealous individuals and had no official sanction. The growth of membership, he says, was made possible only by conviction of the workers that adjustment of differences could only be achieved through strong outside labor organization.

He was summoned to Oshawa, he explained, at the height of the trouble in February when a group of assembly line men threatened a walkout in a dispute over pay rates and production speed. Arriving on the day the strike was threatened, he promptly launched an organization campaign and called a meeting, enrolling 200 members that night. An office and lounging room were established in an Oshawa business building and arrangements made to hire halls for meetings.

As well as mobilizing General Motors employees, Mr. Thompson set about converting Oshawa from a "company town" into a "union town." He organized and won agreements for employees of several small independent plants supplying General Motors with parts. Milk drivers, bread salesmen, barbers, and a variety of other non-auto workers have been enrolled as supporting members of the auto union, as a goodwill gesture to hold trade.

An important factor in building up the union so rapidly has been the sympathetic interest of the town authorities and many of its businessmen. The mayor, several town councillors, and a number of businessmen and merchants have not only shown open sympathy with the union, but have even enrolled as union members. When the international vice-president of the United Automobile Workers went from Detroit to Oshawa to address a union rally, he was officially welcomed by Mayor Alex. Hall of Oshawa.

No Sit-Down Strike

A sit-down strike at Oshawa is not contemplated.

"We have so many of the plant employees enrolled that we won't need to try a sit-down," Thompson says. "With nearly all of the plant workers signed up, a straight walkout strike and mass picketing of the plant is enough to tie up operations completely. And I don't think any organizer ever had more power given him than I have to call a complete walkout as a last resort."

As to the general possibility of C.I.O. sit-downs in Canada, Thompson is non-committal. He suggests, however, that an aura of legality might be given sit-downers through a device utilized during plant-possession strikes in the United States. In several sit-down strikes in General Motors American plants, he reveals, the union bought General Motors shares for the strikers and advanced the argument that they were thus occupying plants in which they had a proprietary interest.

As there is no available floating supply of General Motors of Canada stock, this could not be tried in regard to the Oshawa situation. That it could be attempted successfully in relation to other large corporations in Canada, is doubted by legal authorities.

As a result of the rapid organization, the union already has a sizeable fund with which to operate. Each member is charged $2 joining fee and $1 a month in dues, which means that nearly $15,000 has been collected to date in the three Ontario centres where G. M. plants are located. Of this, about $5,000 has gone to U.A.W. headquarters in Detroit as the local union's supporting assessment, but a portion of this sum has already returned to Canada to provide for salaries of organizers, rental of offices, stationery and general supplies.

The company's attitude is that its employees may join the union if they wish and that it will deal with spokesmen for unionized employees as long as such spokesmen are employed by General Motors. It adamantly refuses to negotiate or discuss employees' problems with either local or international union delegates not employed in the plants.

In support of the contention that the workers had no real grievance that the employee council could not adjust, company officials cite figures to show that the production speed standard in the Canadian plant is 30% slower than the rate at which car units are put through American auto plants.

Eight-Hour Day

It is also claimed that the eight-hour day question was brought up both at recent employee council meetings and by the union committee, but not pressed when the management offered to make it effective by April 1. The Oshawa plants now operate on a 10-hour day, 50-hour week basis. The union demands the eight-hour day to give employment to additional men and to make the employment period longer each year for present workers. To this the company retorts that out of 125 former G. M. employees now on relief in Oshawa, all but five could not possibly be re-employed, because of age or other disqualification.

Because of the seasonal peaks and valleys of demand for new autos, the company explains, it is essential to gear production on a basis involving periodic high speed peaks of operation. While great progress has been made in extending the production period over a longer period each year, the consumer demand reaching its apex every spring still necessitates intensifying the volume at that time. The plant and economic limitations on the number of men employable inevitably require speeding up of assembly with resultant pressure on the workers.

In addition, the slackening of demand during the rest of the year and the necessity of shutting down the plant for several months each year to prepare for new model production, limit the average annual employment of most of the workers to about seven months. So that even if the hourly, daily or weekly wage rate may be quite fair, the lay-off period pulls down the total of a man's annual earnings, and during his employed period he must work under pressure increasing to a peak in the spring.

This production system is the fundamental source of any grievances the employees may harbor. The company is confident that such grievances can be satisfactorily adjusted from time to time in direct negotiation through the employee councils. The union insists that the employee representation system is dominated by the company and therefore can never settle the points at issue to the complete satisfaction of the workers.

Youthful Agent of C. I. O. Starts Auto Drive Here

(Continued from page 1)

was then a trimmer in the Detroit plant of the Murray Body Co. Mr. Thompson says he was fired the next day, but the group he had put together persisted and won its fight for recognition after several strikes had disrupted production and temporarily cut off body supplies from the plants of auto producers.

Getting fired stimulated him to increased effort, and he has been organizing ever since. Through his own and others' efforts, there were nearly 100 automobile workers' unions in different parts of the United States by 1935, and a charter was granted by the American Federation of Labor. The union was one of those suspended by the A. F. of L. at the time of the split with the C.I.O.

An Irishman

By birth and disposition, Mr. Thompson is Irish. He crossed the ocean as a youth, 13 years ago, and lived for a time in Canada. The period of his Canadian sojourn was spent chiefly in Windsor, where he operated an auto body trimming shop of his own. His American wife and baby girl are with him in Oshawa, Mrs. Thompson is his personal aide and assistant in maintenance of the union's Oshawa office.

Dapper, personable and smartly dressed, Mr. Thompson's manner and appearance afford a sharp contrast with the traditional conception of a labor organizer. He is anything but an untidy, furtive and uneducated fomenter of trouble. He suggests rather an up and coming executive or a head of a prosperous business, conscious of having a definite function to perform and being fully versed in the technique necessary to accomplish his ends.

Really a Revolution

Mr. Thompson takes a broad view of the C.I.O movement.

"Sometimes I think we can't see the wood for the trees, when we get wrapped up in the job in hand," he told The Financial Post. "But this thing is really a revolution. The mobilization of unorganized workers is bringing real industrial democracy as a preferable alternative to Communism and Fascism. The extension of unity to the great mass of workers is giving labor an instrument to assert itself, set forth its problems clearly and win a share of the wealth it is helping to produce.

Opposed to Communism

Emphatically opposed to Communism as a solution of either economic or political ills, Mr. Thompson says he has persistently fought attempts of Communists to "muscle in" on the automobile workers' and other C.I.O. groups. Even in Oshawa, he reports, Communists made an attempt, unsuccessfully, to penetrate the new union, exert an influence if not gain control, and to claim some of the credit for creation of the new body.

In addition to the special credentials which designate him not only international organizer but official representative of the U.A.W., Mr. Thompson also carries a card appointing him delegate of the Steel Workers' Organizing Committee, recently formed branch of the C.I.O. He is also authorized to act where necessary to aid in organizing C.I.O units in other industries, though he expects for the time being to devote himself primarily to the automobile and steel industries.

Denying that the organization drive of C.I.O. unions in Canada will conflict with A. F. of L. bodies in the Dominion or overlap into their jurisdiction fields, he foresees the eventual organization of all or most of the 3,000,000 unorganized workers in this country. He believes it is coming not only inevitably, but so rapidly that organization workers can scarcely keep pace with the demand—so rapidly that he still cannot figure out when he is going to get his deferred vacation.

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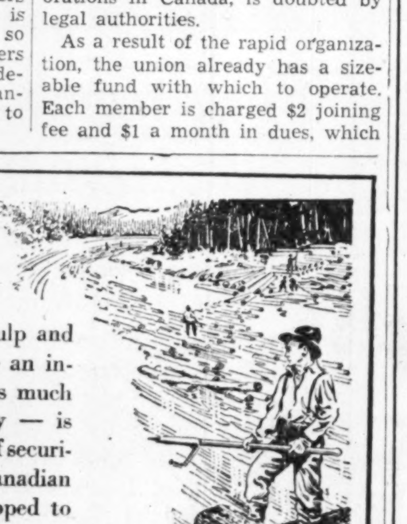

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Income Tax Problems

I am told that no income tax exemption on depreciation of a passenger automobile used for business purposes is allowed, unless the car is used 100% for business purposes only. If this is the case it does not seem that any car in Canada could qualify for depreciation exemption.

A good deal of misunderstanding exists regarding depreciation exemption on cars used for business purposes. The income tax authorities make no exemption for depreciation on automobiles used and owned, for example by a salesman on a salary, or on cars which are used for both business and pleasure in the ordinary sense that such cars are available for both purposes.

If, however, a salesman or businessman owns a car used for business purposes, and earns his living from commissions, the income tax department uses total mileage as a basis of computing depreciation and deducts 1/3 of the mileage as applicable to personal use for purposes other than business. Depreciation exemption is allowed on the balance as it would be in the case of commercial vehicles.

There is a third distinction in the case of what are considered "commercial vehicles." These are automobiles owned by a business firm or by partnerships and used solely for business purposes, available to partners or employees for business use only. In such cases of business-owned cars depreciation is allowed in connection with corporation or partnership income taxation.

* * *

Report as Salary

A Canadian company sells its merchandise to a New York concern through the medium of a New York broker, the New York firm paying the Canadian company direct, for each shipment. The Canadian company sends a monthly cheque to the New York broker for his commission. Should the Canadian company deduct the 5% non-resident income tax from the commission sent the New York broker?

Owing to the fact that the New York broker is acting as an agent or employee for the Canadian company he is regarded by income tax authorities as in the same position as an employee conducting the Canadian company's affairs in the United States. There is no deduction of the 5% non-resident tax and the commissions sent to him monthly are reported on Form T-4 which is the return of salaries paid by corporations. While there is no deduction at the source of payment, it is obvious that on receiving the T-4 return income tax officials will consider the amount of commissions involved. Should the T-4 form disclose this to be an amount sufficiently large to be taxable in spite of exemptions which apply equally to residents and non-residents of Canada deriving an income from Canadian sources, tax officials would move to collect anything due the department after statutory exemptions.

* * *

Small Legal Fees

I wrote a lawyer in the United States who has special experience along certain lines and received his opinion on the subject, for which he rendered a bill for $100 by mail. Should the 5% non-resident tax be deducted in making payment of the lawyer's account.

Payment of a lawyer's account from another country might be classed in one of two categories but in the case of a $100 account there is no deduction of the 5% tax at the Canadian source of payment. It is considered similar to or as salary expenditure on Form T-4 if paid by a corporation, or it may be charged against legal expenses.

However, income tax inspectors in examining deductions for legal expenses are careful to note whether these are excessive in relation to the type of business, its volume of trade and other factors involved. Obviously a $100 legal expense item would not be regarded as excessive, but should the amount be more substantial the income tax branch might check the figures and require payment of non-resident income tax. A special ruling in the case of large sums paid under these conditions should be sought from income tax authorities, for the same reasons that apply to the case affecting payment of a foreign architect's fees.

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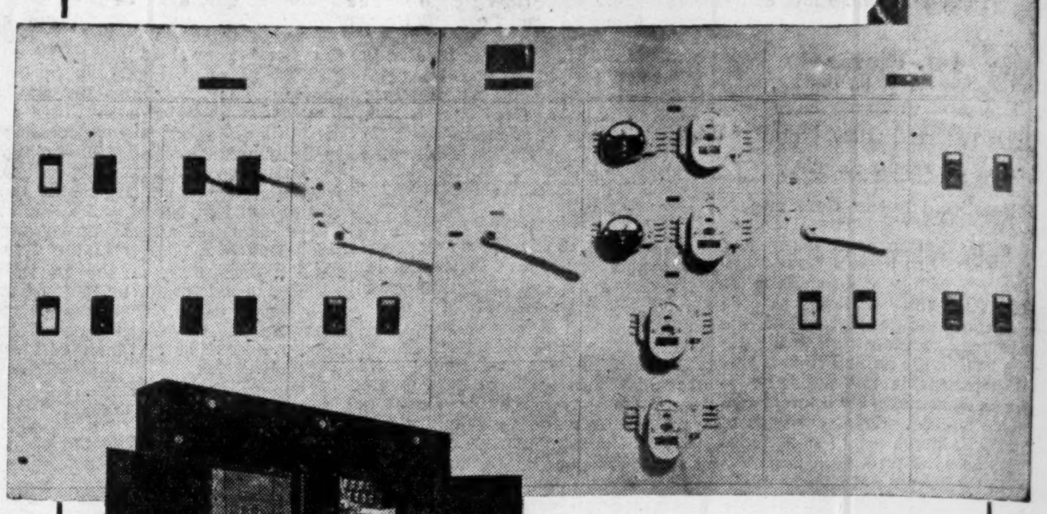

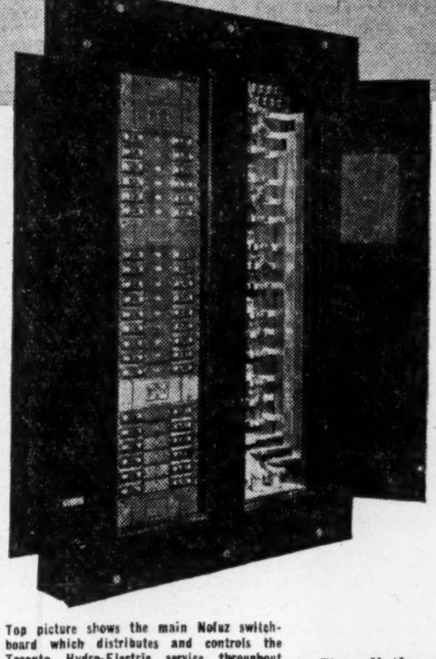

Top picture shows the main Nofuz switchboard which distributes and controls the Toronto Hydro-Electric service throughout the building.

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Prince Edward Hotel Elects New Directors

First organization meeting of the new Prince Edward Hotel Co., Windsor, was held recently and directors were elected as follows: Vernon G. Cardy, president, George A. Ross, vice-president, Montreal; W. D. McGregor, Harry J. Mero, Windsor; Earl K. Akey, Detroit; Andrew J. Cardy, Hamilton; C. A. Ripley, Montreal.

The Prince Edward Hotel Co. was reorganized in Feb., 1937. Bondholders are to receive $300 in cash and $700 in new second mortgage debentures for each $1,000 bond held.

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Chairman Wanted

British Economist Sought to Direct Royal Commission — Move to Modernize B.N.A. Act Will Follow Survey

OTTAWA. — Every effort is being put forward by the Government to complete the personnel of the Royal Commission on Public Finance before the Prime Minister and his colleagues sail for the Coronation. The first draft of the terms of reference has been completed but has not been approved by Cabinet.

The greatest difficulty is being experienced in obtaining for the Commission a chairman of unquestioned authority in the field of taxation and one who will be acceptable to all classes of people in Canada. It is believed that Sir Josiah Stamp has been offered the chairmanship and has so far declined it on the grounds of pressure of his manifold responsibilities in the business and financial world of Britain.

The Commission will embrace representatives of different groups in Canada and it is the obvious desire of the Government to induce one or more experienced business leaders to join in its deliberations to provide a practical background for the studies of the more academic authorities who may be included.

The Commission is to investigate the division of taxation powers and financial responsibilities between the Federal Government and the provinces, with a view to removing existing strains on the country's financial and economic system.

The Government is fully cognizant of the urgency of the situation and the need for immediate action, but has not been able to complete the Commission as quickly as it wished.

British Chairman

IT IS generally conceded that the Commission will be headed by a prominent British economist and in this connection the name of Sir Arthur Salter has been prominently mentioned.

It is not known how many members of the Commission will be appointed from outside of Canada, but it is understood that both Prof. L. F. Giblin, of Melbourne University, and L. G. Melville, economic adviser to the Commonwealth Bank of Australia, have been considered. Both of these men were members of the Commonwealth Grants Commission, which a few years ago made an investigation in Australia similar to that now proposed for Canada.

Canadian representation may depend to some extent upon the type of talent secured from outside of the country. In selecting Canadian representatives the Government is faced with the problem of satisfying sectional interests. It has been suggested in some quarters that the simplest thing to do in this regard would be to appoint only one outstanding Canadian who because of his broad national viewpoint would not offend any particular section or group.

Present indications are that the Government is fully aware that the personnel of the Commission is of major importance. If it is to be successful in getting at the bottom of Canada's problems then the best brains available must be secured. Furthermore, upon the strength of the Commission will depend acceptance of its report by the public and insistence that its recommendations be implemented.

Most students of the problem regard the personnel of the Commission of far greater importance than its terms of reference. It is well known that Dominion-Provincial relationships are in somewhat of a muddle and must be straightened out. Various solutions have been proposed.

Provincial Rights

ONE of the big obstacles which must be overcome, however, will be the insistence of the provinces on what they consider to be their rights. Past experience has shown that they are jealous of their autonomy. They will be quite willing to surrender fields of expenditure, such as unemployment relief, to the Dominion Government, but at the same time they will be desirous of obtaining additional taxation powers. Should the Commission find that restriction of the powers of the Provincial Governments is desirable, its report will immediately meet with considerable opposition. The difficulty is that most Canadians regard themselves as citizens of the Province first and of the Dominion second. Thus, one of the main problems facing the Commission will be to get Canadians to look at their problems from a national rather than provincial point of view.

Recently, Premier Mackenzie King announced that the Government is giving very careful consideration to the terms of reference of the proposed Commission. The scope of the enquiry, however, has been fairly definitely outlined. The survey is to be confined to the financial aspects of the B.N.A. Act. All pleas of the western provinces for an economic enquiry similar to the Duncan Commission's survey into the rights of the Maritime Provinces have been rejected.

Taxation and Subsidies

THIS does not mean that the Commission will refuse to discuss the economic controls and problems of Canada. What the Government considers to be the proper scope of its work may be illustrated by the moot point of the tariff. The Government will not ask the Commission to discuss the type of tariff policy that is best suited to the national purposes. But it will be expected to advise

(Continued on page 12)

NO HELP WANTED?

Canada's Big Open Spaces a Fallacy, Says Economist — The Other Side of Canada's Immigration Enigma

By WILLIAM B. HURD
Department of Economics, McMaster University

IN THE last ten years much attention has been devoted to the study of population movements both toward and within the North American continent and a number of interesting findings have emerged which have a direct bearing on Canada's future immigration and population policy.

It has been shown, in the first place, that European immigration to this continent, at least during recent decades, has been primarily of the pull variety. The great waves have occurred, not when times were bad in Europe but when times were good. The immigrant came not because conditions were bad at home but because opportunities were better in America.

In the second place, prosperity on this side of the Atlantic seems to have been an antecedent condition of immigration. The trends in the cycles of immigration have occurred, not before, but, on the average, several months after the upturn in business activity in the receiving country.

That does not mean that immigration, when it was resumed, did not contribute to the prosperity. It did. The point is rather, that prosperity came first and immigration followed.

In the third place, recent investigations with particular reference to Canada, leave little doubt that in the past more or less unrestricted immigration from abroad has contributed materially to emigration of native Canadians both to the United States and elsewhere.

Over the last 80 years our losses of native Canadians through emigration, largely across the southern border, have equalled our gains through immigration from abroad. Such being the case, it follows that, with the mortality rates prevailing over the period, our population could have increased as rapidly on a self-contained basis as it actually did.

I am not suggesting that the Canadian population would have grown as rapidly had there been no immigration. Considerable emigration of Canadians to the United States would almost certainly have occurred in any case. Moreover, there were times, notably during the years following the opening of the West, when the general economic situation favored agricultural and industrial expansion on a scale which required additions to our population materially in excess of the supply available through natural increase.

At such periods, but only at such periods, did immigration add substantially to the rate of Canada's population growth. During periods of less rapid economic expansion natural increase exceeded the absorptive capacity of the Dominion and there occurred an overflow to other countries far in excess of current additions from abroad.

Safety Valve Blocked

RECENTLY an entirely new factor has been injected into the situation. In 1924 quota restrictions were imposed on emigration of foreign-born across our southern border and in 1930, due to the depression, a more careful check by U. S. officials curbed the migration of native Canadians. This partial closing of the great safety valve to the south has removed the chief avenue of escape for our surplus population and has radically affected our present and future ability to receive new immigration from abroad.

In fact, it has changed the whole picture. From now on the inflow of immigrants must be carefully adjusted to our capacity to absorb new workers in productive employment.

Just what is meant by the term "absorptive capacity," and how may it be measured? The simplest way to do this is to examine the population data for any one of the last three intercensal decades. Take the ten-year period 1921-1931. In this decade, there was a surplus of births over deaths of native-born Canadians, amounting to approximately 1,557,000. In addition, about 300,000 Canadians returned from United States, making a total of 1,857,000 recruits to our native-born population. In addition, 1,212,000 immigrants entered the country. Had all native-born and immigrants remained, the population would have increased during the decade by 3,053,000. This is what might be termed a "gross" figure. To be strictly accurate a deduction of between 200,000 and 300,000 should be made to allow for deaths of resident immigrants.

However, the actual increase of "absorptive capacity," as shown by the census of 1931, was only 1,589,000. Obviously, then, native increase and immigration combined, supplied Canada with almost double the numbers we could absorb. Much the same situation existed in the two preceding ten-year periods. In short, since Canada has had about twice the number of recruits for her population that she could retain, the number she did retain would seem to be a fair measure of her absorptive capacity under existing conditions.

How large were these numbers? During the decade 1901-1911, the mean rate of population increase was 183,000 per year; in the decade 1911-1921, it dropped to 158,100; and in the last decade it rose slightly to 158,600.

No Help Wanted?

THE question naturally arises as to what proportion of the net annual additions to our population in the recent past might have been provided by natural increase and the repatriation of native Canadians. Let us examine the figures on natural increase for the last ten years for which data appear in the Canadian Year Book. The period runs from 1925 to 1934 and includes five years of comparative prosperity and five years of depression. The average annual excess of births over deaths amounted to 128,946; the average number of Canadians returning from abroad was 29,662. These two figures combined make a total of 158,608, a number almost exactly equal to the average annual population increase of the Dominion for the decade 1921-1931 and slightly in excess of that for the preceding one.

In other words, the anual supply of native Canadian available through natural increase and repatriation in the last ten years for which data are available was equivalent to the average annual absorptive capacity of the country for the last two decades.

To be perfectly fair, one must point out that during the latter part of the depression our natural increase has fallen appreciably below the 10-year average, and the stream of returning Canadians has been greatly reduced in volume. One is reminded, however, that our absorptive capacity has also been greatly reduced. With the return of prosperity it would seem reasonable to expect a significant rebound in the birth rate—about half the current decline has been due to delayed marriages. It is also reasonable to expect at least a temporary revival in the re-entry of native Canadians from abroad since there is no rea-

(Continued on page 12)

Protection Against Drought

Ottawa Flirts With Idea of Reorganization of Western Agriculture on a Dry Farming Basis—Expensive Rehabilitation Machine

By GORDON L. SMITH

A SUCCESSION of droughts has reduced almost a quarter of western Canada's grain growing country to a point where even the food of the farming families concerned has had to be brought in from outside. The first and most elemental function of agriculture, that of providing the operator with subsistence for himself and his animals, has not been fulfilled.

Nearly 300 municipalities, over half a million people and 6,220,000 acres of land are concerned. During the past winter, most of the population has been on direct relief, dependent upon public charity for clothing, seed and livestock feed, and the only food on their tables. Savings from more prosperous times have long since been expended.

The problem is much too big to be solved by a simple migration of population to a more favored district. Half a million people and their houses, barns and stock cannot be picked up bodily and transferred somewhere else. Such a move, even if countenanced, would take many years. In addition, there are many more people indirectly involved. There are hundreds of villages, scores of towns and small cities in or near the drought areas. There are thousands of miles of railroads, paved streets, water mains. There are many little industries, attracted when wheat crops were more certain, prices were good and the grain growers were dispensers of charity, not recipients.

And again, even if wholesale migration were practical, Canada would be losing the bulk of its best wheat growing area. Just as the hardest rocks yield some of the most precious metals, the baked gumbo of the prairies to the south and west of Regina in normal years produce that hardest of world wheats for which Canada is famous.

Hence both the Bennett Government which was in power when the recent drought became serious and the King Government which has followed, have stressed rehabilitation rather than abandonment. Federal authorities are convinced that much of this area can be reclaimed.

Millions Needed

ACROSS the line, in the great middle west of United States, the same problem is being faced on a larger scale. Washington has set aside $500 millions to solve the problem or an expenditure of $50 millions a year for the next decade.

More modest, the Canadian Government at first suggested not more than a million per year, though at the present session of parliament the Federal minister of agriculture suggested that the limit be removed and at least a three-year programme be adopted. Proposals as to the actual spending of the money and the probable results have been vague.

More ambitious plans both here and in United States have embraced the creation of huge artificial lakes and the development of forested tree belts with the object of influencing climate. But such projects, in addition to prohibitive cost, have been roundly criticised from other angles. It has been seriously argued that even the normal rainfall in most of the affected areas would not be sufficient either to fill the proposed lakes or to support continuous forest growth.

So far, actual reclamation work has been largely concentrated on the smallest type of conservation projects. First object has been to store sufficient water for family, livestock and if possible, for garden use.

Small Projects

SCATTERED over a huge triangle whose base is the international border and the apex 300 miles north at Lloydminster on the Alberta-Saskatchewan boundary, nearly 2,000 small dams have been built. These are largely the work of the farmer on whose land they are erected, and the cost ranging up to $350 has been paid out of the Dominion treasury.

(Continued on page 12)

Open Door For C.I.O.

Ottawa Ready to Welcome Organization Move by Lewis Group if Sit-down Strikes Are Abolished

OTTAWA.—If the John L. Lewis Committee for Industrial Organization abandons the sit-down strike as its chief weapon of publicity and organization, its prestige will be immeasurably enhanced at Ottawa.

The recent pronouncement of the minister of justice on the "sit-down strike," in which he indicated that such illegal trespass upon private property would not be countenanced in this country, was a statement of governmental policy upon a particular strike technique and not upon the C.I.O. itself.

Ottawa has no intention of acting as arbiter and judge between two different types of labor organization—the craft union and the industrial union. The fight between John L. Lewis' C.I.O. and William Green's American Federation of Labor is one in which the Dominion Department of Labor occupies and intends to continue to occupy a position of neutrality. As a matter of fact, Ottawa has been free of any conscious bias in its attitude to the four chief labor groups that have dominated Canadian industrial affairs in recent years, one at least of which was organized on the basis of industrial unionism.

There is reason to believe, in fact, for reasons that will be set forth later, that the Dominion Government welcomes the vigorous campaign of the Lewis unions to organize in Canada and will continue to view their activities with friendly and dispassionate interest so long as they conform to the laws of the land.

C.I.O. Free to Act

OTTAWA'S attitude is that the C.I.O. is a legal body entitled to whatever protection is afforded by Canadian law to organizations in which workers associate themselves for the purposes of attaining their objectives by collective bargaining. So long as the C.I.O. makes no attempt to break any Canadian laws it will not be disturbed or hampered. Conversely if any other union—such as one of the craft unions federated with the Canadian Trades and Labor Congress—breaks the law, such as by committing an act of trespass in the form of a sit-down occupation of an industrial plant, it will be dealt with according to law.

It goes without saying that the Dominion authorities read with feelings of some relief reports that the C.I.O. across the border is likely to abandon the sit-down strike as its major weapon and that it intends to revert to traditional strike technique such as walkout strikes, mass picketing and demonstrations.

Under Canadian immigration laws, officials of international labor unions are permitted to enter Canada freely to confer with their Canadian associates and even to give leadership in organizing strikes. Some pressure was brought to bear upon the Government to refuse recognition to C.I.O. delegates and thus to bar them out of Canada under the immigration laws.

There was never any chance that the proposal would be adopted. It would have embarrassed the Government in its relations with existing labor organizations; first because in certain fields the Canadian A. F. of L. unions are working in close co-operation with the C.I.O. officials and secondly because to have meted out especial attention to the C.I.O. organizers would have established the precedent that the Government must pick and choose between different types of unions. This it does not want to do.

However, if a C.I.O. organizer or an official of any other union entered Canada to organize a sit-down strike, there is little doubt that the Government would immediately take steps to deport him.

Communist Link

OFFICIALS at Ottawa profess to have no evidence of Communist association with the Committee for Industrial Organization. They have observed that the C.I.O's. activities have been hailed with glee by Communist papers and organizers but they are not certain that this Communist support is welcomed by the C.I.O. However, even if Communist groups actively intervened to organize or support strikes or other activities of the C.I.O., this would not be regarded by Ottawa as a matter calling for action. Under the regime of Rt. Hon. R. B. Bennett, the Communist party was regarded as an illegal organization. But it is no longer outside the pale of the law.

It was said earlier that Ottawa might even be regarded as looking with some favor upon the spread of C.I.O. organization work in Canada. It would be going too far to say that the whole cabinet holds such a view, but the favor with which the prime minister, Rt. Hon. Mackenzie King, and the minister of labor, Hon. Norman McL. Rogers, regard collective bargaining as an instrument to ensure labor peace, is on record in their writings and public addresses.

There is a large body of opinion in official Ottawa that feels that the C.I.O. will make its greatest progress in "organizing the unorganized"—in extending union association to those workers who have, in the past, not been members of any established labor unions. Reference is pointedly made at Ottawa to the reputed fact that the countries which enjoy the greatest measure of industrial peace are the nations in which collective bargaining has made the longest strides.

No Help Wanted ~

Canada Has No Room For Immigration, Economist Declares—Other Side of Issue

(Continued from page 11)

son to doubt that there are still large numbers, in the United States particularly, who are anxious to return to Canada, as soon as economic conditions warrant.

If in addition one considers the fact that there are still in the neighborhood of 400,000 unemployed persons in the Dominion, it seems probable that Canada will be more than able to supply her own population requirements for several years to come, even if the rate of economic expansion obtaining during the last two intercensal decades is restored. And if by good management or good luck the boom conditions of 1901-1911 were somehow brought back, she would probably not need to draw more than 25,000 or 30,000 permanent settlers yearly from abroad to meet her enlarged absorptive capacity.

Unless some major error inheres in the above reasoning, or some unforeseen and revolutionary change occurs in the technique and speed of development of our primary and secondary industries, it would seem that Great Britain alone, despite her declining birth rate, would be able to supply any extra population, we are likely to require for at least the next five or ten years.

Why Figures Mislead

It should be borne in mind that this discusses the near future in terms of the immediate and recent past, and that underlying the above conclusions is the assumption that immigration will continue to be of the pull rather than the push variety.

Before passing on, it might be well to offer at least a partial explanation of why most current forecasts of Canada's future population growth—and of her capacity to absorb immigrants—are so greatly in excess of anything we have been able even to approximate in the past. One reason seems to be that, as a nation, we have not yet fully realized that in the boom years before the war when 200,000 to 400,000 immigrants were arriving yearly we were able to retain only a small portion of them as permanent settlers, and that such permanent immigration additions as did occur were offset to a very considerable extent by losses of native Canadians. We find it difficult to believe that in no intercensal period did Canada's population increase by 400,000 to 500,000 a year or by anything remotely approaching that figure.

Another reason is the misleading nature of the criteria used in arriving at these overoptimistic estimates. Two of these criteria are so widely employed and so universally accepted that not one in a hundred ever thinks of questioning them.

Spaces Will Stay Open

In the first place, low population density per square mile is often taken as prima facie evidence of great absorptive capacity. Such is far from being the case. As a matter of fact, in a good many instances just the opposite obtains. Experts tell us, for example, that overpopulation is most marked, not in the more densely settled western parts of Europe, but in the more sparsely inhabited eastern and central sections of the Continent. Population migrations in Europe since the war support this contention. The same is true of Canada During the last intercensal decade there occurred a net migration from sparsely settled rural to densely settled urban parts of nearly 437,000, a movement quite the reverse of expectation on the basis of relative density figures per square mile. Cases of this sort could be multiplied indefinitely.

The error seems to arise from failure to recognize that surface area is only one, and a decreasingly important aspect of the natural physical environment. Climate, topography, location, the physical constituents of the soil, subsurface supplies of minerals and fuels, and a number of other natural physical factors re equally as important as land area. Moreover, such an index entirely neglects the artificial physical environment, as well as technological, economic and social conditions which are of paramount importance in limiting population growth.

Great open spaces are no criterion of population absorptive capacity; nor in themselves are great unused natural resources. We are all too prone to forget that it is only when a natural agent can be made to yield adequate returns on the capital and labor employed that it has any current economic-significance or can be counted upon to support increased population. The mere presence of resources is not enough to ensure their economic exploitation, nor is added population. In the Province of Alberta we have one of the greatest bituminous coal reserves in the world. Since the beginning of the century these reserves have been as accessible as they are today. Yet they remain virtually unused despite the fact that over practically the whole of the period we have had twice the number of new recruits to our population that we were able to absorb.

A second reason for the extravagant nature of many popular forecasts then, is the superficial and improper use of such criteria as the man-natural resource and the man-land ratios.

Wishful Thinking

The habit of comparing the present population with what one fancies or hopes it may be one hundred or two hundred years hence, is a third possible explanation for these extravagant forecasts. It is predicted, for example, that Canada should have a population of, say, 75 millions by the close of the present century. Why 75 millions, and why the close of the century is not quite clear. At any rate this assumption is taken as axiomatic. What can be little more than a guess or pious hope is elevated to the position of a logical promise. Simple arithmetic is then employed to show that between now and then our population should increase one million a year.

This argument is not reasoning; it is wishful thinking.

This brings us to the crux of the problem. How can one speed up our economic development and what direction is it likely to take?

Industrial Expansion

I shall comment on the last question first. In the first decade of the present century immigration was directly to rural parts. In the decade just passed (1921-1931) 75% of the net additions to our immigrant population settled in urban centres. In the first decade of the century the bulk of the immigrant arrivals went to the western provinces. In the last decade approximately three fifths settled in eastern Canada. There has thus been a decided shift in the destination of immigrant arrivals—a shift from rural to urban parts and from west to east. That such a shift should have occurred despite the continued and determined efforts of the Canadian Government to foster agricultural immigration and to discourage urban, indicates that the underlying economic forces were at variance with this objective and suggests that any major expansion that may occur in the immediate future is likely to appear in occupations other than agriculture—in other words, in mining and the secondary industries.

The recent failure of Governments to stimulate agricultural settlement is sometimes attributed to the type of agricultural settlement that has been attempted. The proposal is often made to set up more or less self-contained peasant farm communities based on European immigration. It may well be that settlement of this sort might be possible in certain limited and carefully chosen districts, but one doubts whether, as a general policy, the establishment of such colonies would prove either a practicable or acceptable method of expanding population under existing conditions.

Two-fold Survey

If population expansion is not to be achieved in this direction, what sort of development is likely to take place? As far as I can find out, no one knows. The nature and possible scope of development in secondary industries is yet to be determined. That is why it seems that logically the first step in formulating any programme designed to promote population increase in this country is a careful survey of the possibilities of expansion in the industrial and extractive field.

A second step might well be an intensive search for new resources, and the discovery of new uses for, and more effective ways of exploiting known resources. A third requirement has to do with finance. The savings of our Canadian people have never been adequate to take care of a great expansion. Every encouragement should therefore be given to the inflow of foreign capital. We should at least see that foreign investors get a fair run for the money they invest and have already invested in this country, and that our public and private credit is maintained at a high level on the money markets of the world.

Extend Foreign Trade

Finally, there is the necessity of extending our foreign trade. A cursory survey of Canada's natural resources reveals the fact that because of their localized and specialized nature, their exploitation will continue to depend to an unusual degree on the securing of export markets. It is because of this circumstance that the per capita external trade of the Dominion normally exceeds that of all other important countries except New Zealand; is over twice that of France and Germany and a third greater than that of the British Isles. By virtue of this situation, Canada's population absorptive capacity is extremely sensitive to the trade and fiscal policies of other nations; and not the least of our difficulties will be to persuade overpopulated countries that our ability to receive their exports of population is dependent on their willingness to receive our exportable surpluses of raw materials and manufactured goods.

We will doubtless encounter other difficulties. Yet, if the facts presented above have any weight and if the interpretation of them is, in general, valid, it is the measure of success we are able to achieve in the execution of some such comprehensive plan of economic expansion that will determine our rate of population growth in the immediate future and the number of permanent settlers we can absorb from abroad.

Canada Seeks British Expert For Survey

Royal Commission Personnel Considered of First Importance

NEW B. N. A. ACT

(Continued from page 11)

what the taxation and subsidy policy of the country should be, given a certain accepted tariff policy.

Thus, if the members of the Commission decide that Canada's protective tariff imposes an undue and unfair burden upon the Maritime Provinces and the four western provinces, it will be entitled to assess the measure of this inequity and to recommend, for example, that the provincial subsidies payable to these provinces should be increased to offset, in part, the financial burden thus imposed upon them.

One of the main problems with which the country is faced is the duplication of taxation and Government services. In studying the division of responsibilities and the cost of Government the commission will have to give consideration to this subject. It will have to determine whether various fields of activity should belong to the provinces or the Dominion. For instance, there is overlapping at the present time between the Federal Government and the Provinces in the field of health, labor, agriculture and mining. If responsibility for each of these is definitely determined and the field abandoned by the other Government, there would be a substantial saving in costs.

Consideration will have to be given not only to present fields of expenditures, but also to probable services which will be embarked on in the future. In this classification lies social legislation such as unemployment and health insurance. It is generally conceded that Canada is far behind many other countries of the world in this regard. The reason is our constitution. Under the B. N. A Act the provinces are responsible for both unemployment and health insurance. Yet it is generally conceded that provincial schemes would be unworkable and that a national scheme must be evolved. The same applies to proposals for contributory pensions.

Unemployment Relief

Another question that will have to be decided is the responsibility for unemployment relief, mothers' allowances and old age pensions. This has been a contentious question throughout the depression. The provinces and municipalities have claimed that these are properly a responsibility of the Dominion Government.

Out of this will probably arise a discussion of the municipal problem. The Financial Post is informed that the terms of reference will make no specific reference to municipalities, but they will enter into the picture as creatures of the province to which certain taxation powers and responsibilities have been delegated. The municipal problem is regarded as simply part of the provincial problem.

Actually, however, the municipal problem should play an important part in the proceedings of the commission. It is generally conceded that the burden of taxation on real estate in this country is too heavy. It was never intended that property should bear the burden of such social expenditures as unemployment relief, mothers' allowances and old age pensions. Yet this is what they have done throughout the depression. The solution to this problem may lie in the new policy of the Ontario Government. This year the Government is assuming the entire cost of mothers' allowances and old age pensions and at the same time is paying a subsidy of one mill on the rateable assessment of every municipality. The latter might be considered as a contribution to relief costs over and above the Government's regular grants.

Study of the subject of taxation will involve consideration of adequacy, efficiency and incidence of our taxation system. Cost of collecting various taxes will also be weighed carefully.

Taxation Revision

Under this heading the commission will probably be asked to consider whether the whole system of corporation taxes might not be revised. This is a subject to which the Federal authorities have given considerable attention in recent years. It was one of the subjects discussed at the National Finance Committee in December last. To date, however, progress has been rather slow because of the attitude of some of the provinces.

At present corporations operating throughout the country have to make ten separate returns, one to each of the nine provinces and another to the Dominion Government. No two returns are the same and the basis of taxation differs in each case. Such a system is costly not only to the various Governments, but also to the taxpayer. By concentrating the collection of corporation taxes in the hands of the Dominion and working out a uniform basis of taxation for the provinces, Government revenues from this source could be increased and at the same time the cost to the taxpayer reduced.

New B. N. A. Act

After the commission has reported, the question will arise of how its recommendations are to be implemented. It should be emphasized that all that will or can come out of the commission is a large-sized blue book of advice—good advice, the Government hopes. This advice will provide the pattern of a new financial basis for Confederation. Because of the prestige of the commission and the thoroughness and independence of its studies, it is anticipated that what it recommends will carry considerable weight with the general public and with representatives of the different classes of Government in Canada.

Ottawa is then likely to convene a constitutional conference which, it is hoped, will meet in the spirit of the pre-Confederation conferences at Quebec, Charlottetown and London. At this constitutional conference, the modus operandi for redrafting our constitution will be agreed upon and the first steps taken to the end of substituting for the British North America Act a modernized constitution for Canada. And in that redrafted constitution it is hoped that the recommendations of the Royal Commission on Public Finance will be accepted and implemented by the conferees.

Protection From Drought May Prove Too Costly

(Continued from page 11)

But even with these small beginnings, there has been plenty of criticism. The dams, of course, can only be constructed on favorable locations. They must be placed, first of all, where there is a spring runoff of water. It may mean that a dam can be constructed on one farm and not on one across the road.

In places, the country is probably so flat that only a surveyor can determine where the dam should be located.

As a result, one fortunate farmer may get most of the employment in building the dam and practically the entire use of it, while his neighbors get nothing. With the money spread over hundreds of such small projects and about one third of the West, it is conceivable that the administration of such a programme might have some political advantages. In fact that suspicion has already been voiced at Ottawa. At any rate, the solution is at best piecemeal and piecemeal settlements usually leave a wake of grief behind them.

The large scale reclamation projects already launched seem to have fared little better. These aim at a reorganization of marginal land, that is, areas of light soil that have blown out badly, lands that many observers argue should never have been plowed at all.

Droughts following successive wheat crops have taken every shred of fibre or plant matter out of these soils and in dry weather they are at the mercy of the high winds. Cases have been reported of holes blown out to a depth of eight or nine feet, of the tops of whole farms drifting away, of shovels and not brooms being necessary to clean out halls and living rooms after a dust storm.

Some Moving Out

In such country the authorities have hinted at (1) removal of the grain growers, (2) regrassing the plains and (3) reintroduction of livestock ranching.

The first point has been partly solved by the people themselves. Considerable numbers have already pulled up stakes and moved to fields that have promise of being greener. And if the drought which has already lasted five years runs into the season just commencing, more will follow. In fact, one agricultural authority predicted that another dry year would see a petition to the Government to have the reduced rates on settlers effects reversed. In other words, the tide would be from the West and not toward it. But there are still a large number of former grain growers clinging to this light land and hoping for a crop. Their removal will not be a simple matter.

Takes Years

Even this brief summary indicates that reclamation will not be completed in a year or in several years. Millions and perhaps hundreds of millions of dollars would have to be poured into small and big dams, garden and field irrigation projects, moving and resettlement work, grassing and the establishment of cattle ranches, before the Canadian West could be put into permanent shape to cope, without discomfort, with such a series of dry years as have just been encountered. To reorganize agriculture in the three prairie provinces on the basis of more or less continuous drought would not only involve a huge immediate expenditure, but the creation and maintenance of a vast and expensive machine. Dams and ditches would have to be kept in repair, a water impounded, grain growers kept out of ranch areas and all this maintained whether the rains failed or not.

Would It be Worth It?

Weather records, going back a century, for the great central plains of this continent, indicate that a drought of one year's duration may be expected every three or four years, two dry seasons in succession occur about every 10 or 15 years, but any cycle beyond this, only once perhaps in a century. In fact, not since 1830 has anything like the recent series visited this continent.

Expensive Insurance

If such proves the case this time, then will successive governments and farmers of the West be prepared to maintain a huge and permanent machine which they may not need again this century?

MELCHERS DISTILLERIES

LIMITED

BOARD OF DIRECTORS

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ALBERT HUDON
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STANLEY JOHNSTON
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J.-ALFRED OUIMET
HENRY N. CHAUVIN, K.C.

To the Shareholders:

I take pleasure in enclosing herewith, on behalf of the Board of Directors, the Annual Report of your Company covering its operations during the fiscal year ended December 31st, 1936.

The Balance Sheet included in the Annual Report gives effect as of December 31st, 1936 to the Compromise or Arrangement dated December 26th, 1936 that was agreed to by the Shareholders at a Special General Meeting held on the 22nd day of January, 1937 and duly sanctioned by the Honourable Chief Justice of the Superior Court of the Province of Quebec and confirmed by Supplementary Letters Patent issued under date of the 9th day of February, 1937.

Sales of our regular domestic brands continue to increase and as general conditions improve, so will sales, which eventually will reflect in increased earnings.

Probably one of the best mediums of advertising is "personal recommendation," consequently, shareholders are reminded that it is in their personal interest when purchasing products such as we manufacture, to insist on their own Company brands and to recommend same to all their friends and acquaintances. The products thus referred to are;

MELCHERS "GOLD CROSS" Finest Canadian Geneva Gin.
LONDON CLUB London Dry Gin.
THREE CASTLES Extra Special Liqueur Whisky.

These products are all of excellent quality and are put up in exceedingly attractive packages and you therefore need have no hesitancy in recommending same.

As advised you, in our letter to shareholders dated March the 1st, 1937, the new definitive certificates for the new Preferred Shares and the new Common Shares are now ready for distribution and therefore all shareholders who have not already exchanged their certificates representing the old Class "A" and or Class "B" shares are hereby urged to do so as soon as possible, as under Clause 9 of the said Compromise or Arrangement, it is specifically stated that "from and after the date of the Letters Patent confirming this Compromise or Arrangement, the holders of Class "A" Shares and of Class "B" Shares shall have no rights or claims against the Company, whether for arrears or dividends or otherwise, save and except the right to receive the moneys and the new Preferred Shares or the new Common Shares, as the case may be, in accordance with the provisions of this Compromise or Arrangement."

Your properties have been well maintained, are in good condition and well insured.

I wish to take this opportunity of expressing the appreciation of your Board of Directors for the faithful work of the officials and employees of the Company during the year just closed.

Yours faithfully,
V. MARCHAND,
President

BALANCE SHEET

as at 31st December, 1936

(After giving effect to the Compromise or Arrangement, dated 26th December, 1936, between the Company and its Shareholders)

ASSETS			
Current:			
Cash on Hand and in Banks		$ 4,054.15	
Call Loan and Accrued Interest, fully guaranteed		300,509.60	
Accounts Receivable	$132,620.60		
Less: Reserve for doubtful Accounts	2,000.00		
		130,620.o0	
Inventories of Matured and Unmatured Spirits, Raw Materials, Manufacturing and Other Supplies, valued at not more than cost, less Allowance for ullage and shrinkage of Bulk Whiskey		635,850.00	
			$1,071,034.35
Deferred Charges:			
Unexpired Insurance, Taxes, and Other Prepaid Items			4,536.87
Fixed:			
Land, Buildings, Machinery and Equipment, at depreciated replacement values as appraised by The Canadian Appraisal Company, Limited in December, 1936			916,211.05
Trade Marks, Formulae, Patents, Goodwill			1.00
			$1,991,783.27
LIABILITIES			
Current:			
Accounts Payable and Accrued Liabilities		$ 31,577.08	
Provision for Dominion, Provincial and Municipal Taxes		33,779.62	
Amount of Capital repayment to be made by 2nd July, 1937, to Class "A" shareholders in accordance with clauses 2 and 5 of the Compromise or Arrangement of 26th December, 1936		350,000.00	
			$ 415,356.70
Capital Stock:			
Authorized and Issued—			
125,000 Shares 6% Cumulative Participating Preferred, par value $10.00 each		1,250,000.00	
62,500 Shares Common of No Par Value		250,000.00	
			1,500,000.00
Earned Surplus Account:			
Balance at credit 1st January, 1936		38,859.55	
Add:			
Deposit forfeited upon cancellation of Contract of Sale, transferred from Special Reserve Account	$50,000.00		
Less: Provision for Income Taxes thereon	8,750.00	41,250.00	
		80,109.55	
Deduct:			
Additional Income Tax for 1934 and Income Tax for 1935		12,132.48	
		67,977.07	
Add:			
Profit from Operations for the Year ended 31st December, 1936	88,199.50		
Less: Provision for Income Taxes therein	17,250.00	70,949.50	
		138,926.57	
Less:			
Provision for Expenses re Capital Reorganisation	12,500.00		
Dividend No. 10 paid for Quarter ended 15th June, 1931 on old Class "A" Shares	50,000.00	62,500.00	
Balance at Credit 31st December, 1936			76,426.57
			$1,991,783.27

AUDITORS' CERTIFICATE

MELCHERS DISTILLERIES, LIMITED, Montreal.

We have examined the books of account and financial records of Melchers Distilleries, Limited for the year ended 31st December, 1936 and have received all the information and explanations required by us.

The Inventories of Spirits, Materials and Supplies on hand have been certified to be correct by responsible Officials of the Company.

The attached Balance Sheet as at 31st December, 1936 reflects the changes made in the Share Capital of the Company pursuant to the terms of the Compromise or Arrangement between the Company and its Shareholders, bearing formal date of 26th December, 1936, agreed to at a Special General Meeting of Shareholders held on 22nd January, 1937 and confirmed by Supplementary Letters Patent issued under the Quebec Companies Act and dated 9th February, 1937.

By the provisions of Clauses 1 and 2 of this Compromise or Arrangement the Share Capital of the Company was reduced by the sum of $2,877,048.01, made up of the following items:—

1.	Capital repayment to be made to Class "A" Shareholders	$ 350,000.00	
2.	Adjustments in the book value of Inventories and other adjustments authorized by the Directors in 1931 and 1933	467,240.50	
3.	Amount applied in reduction of the book value of Land, Buildings, Machinery and Equipment to the depreciated replacement value of these assets as at 15th December, 1936, as per the appraisal of The Canadian Appraisal Company, Limited	504,608.51	
4.	Amount applied in reduction of the book value of Trade Marks, Formulae, Patents and Goodwill to the nominal value of $1.00	1,555,199.00	
			$2,877,048.01

The book value of Fixed Assets subject to depreciation having been written down, as mentioned above, to the depreciated replacement value of these assets as at 15th December, 1936, no charge for depreciation has been made against the Earnings of the Company for the year 1936.

Subject to the foregoing, we certify that, in our opinion, the attached Balance Sheet as at 31st December, 1936 sets forth a true and correct view of the financial position of the Company at that date, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

Approved on behalf of the Board:
L.-POTVIN
V. MARCHAND } Directors.

P. S. ROSS & SONS,
Chartered Accountants.
2nd March, 1937.

SPRING IS HERE!

SPRING is already *here*, in Pinehurst—while Old Man Winter lingers in the North. In Pinehurst you escape snow, slush, colds, and sinus ailments. Our grass greens, clay courts, bridle paths, all invite you *now*. Pinehurst is so near, so conveniently reached, so comparatively inexpensive, that it's just the place for your belated winter vacation. The clientele is selected.

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VISIT GERMANY IN FESTIVAL YEAR

The "Pfalz" in the Rhine

Follow the lure of the romantic Rhine. Stroll along the boulevards of Berlin. Browse in the galleries of Munich or Dresden. Dream in the historic grandeur of medieval picture towns. Take a cure in Germany's fashionable spas. Disport with the sea or in mountain lakes under bright skies and in a perfectly tempered climate.

Black Forest Musicians

All Germany will be keyed to a spirit of gaiety and pleasure for the great music, opera, theatre and picturesque folk festivals this summer.

Bayreuth: the Wagner Festival, July 23 to August 21.
Berlin: Art Weeks, symphony, choir, opera, drama, concerts.
Dresden: International Music Festival, concerts, opera, plays.
Duesseldorf: Exhibition—"Nation at Work", May 8 to October 8.
Frankfurt on the Main: Roemerberg Festival Plays—Goethe, Schiller, Shakespeare in front of historic Town Hall.
Heidelberg: Reich Festival Plays in the courtyard of the famous Castle, July and August.
Munich: Wagner-Mozart-Strauss Festivals, July 21 to August 26.
Many other fascinating events all season throughout the country.

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Consult travel agent or steamship office or write for information and interesting booklet No. 10D

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Fireproof Construction
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220 Rooms

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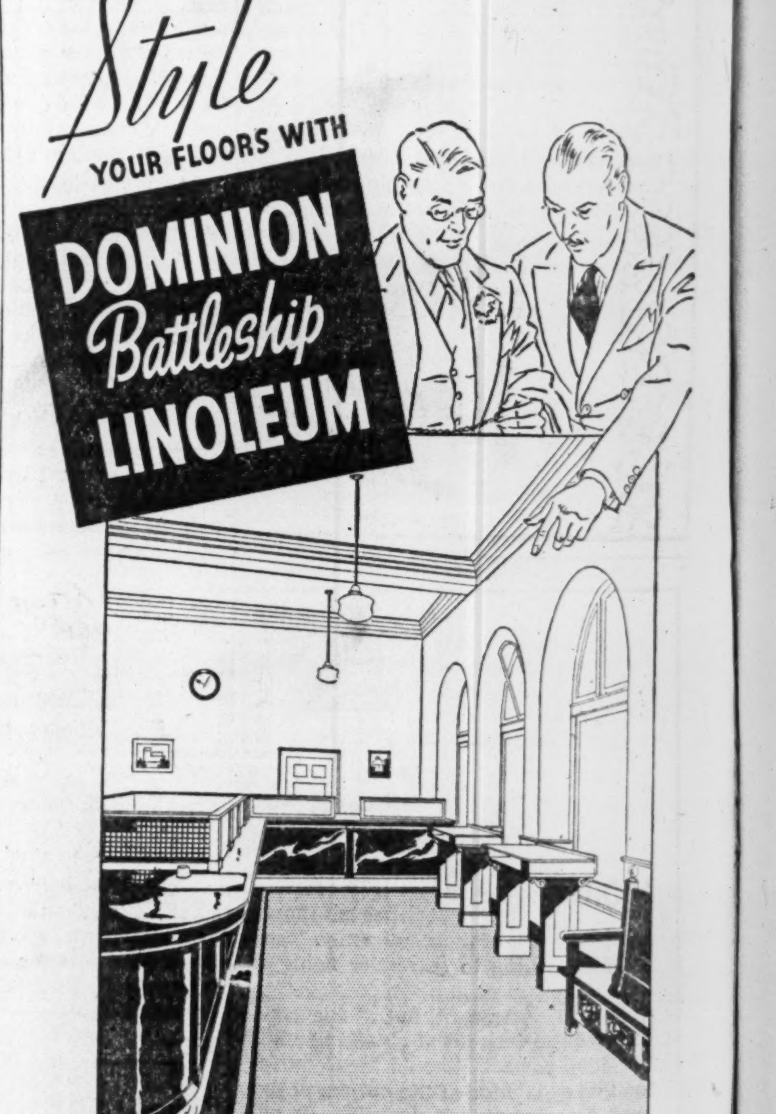
HOTEL LONDON
London, Ontario
Rates for Rooms as Follows:—
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT,
Manager.



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Floors to meet any taste or the particular requirements of any business are readily evolved from Dominion Battleship Linoleum. No less than 21 colours and effects, including Jaspés and Marbles, are available, to be cut into tiles of any shape or size, or into a wide variety of borders or interlining strips. Any flooring contractor, or large departmental store, will give you an estimate on this permanent, easily-cleaned floor that never needs costly refinishing. Ask also about our 5-year guarantee.

DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL

HOW MUCH OF YOUR OVERHEAD IS *UNDERFOOT?*

Coronation Programme

May

5-6. Their Majesties hold Courts at Buckingham Palace.

10. Arrival in London of Envoys and Deputations.
State Banquet at Buckingham Palace.

11. Presentation of Addresses and Loyal Greetings by Prime Ministers of Dominions and by representatives of India and of the Colonial Empire.
Luncheon Party by Their Majesties at Buckingham Palace for British Commonwealth representatives.
Dinner Party by the Duke of Gloucester.

12. THE CORONATION.

13. State Banquet at Buckingham Palace.

14. Dinner to Their Majesties by the Secretary of State for Foreign Affairs at the Foreign Office.
Court Ball at Buckingham Palace.

15. Reception for, and Departure of, Foreign Envoys and Deputations.

19. Their Majesties drive to the City of London and Lunch at the Guildhall.

20. Naval Review by the King at Spithead.

24. Their Majesties attend Empire Day Service at St. Paul's Cathedral.

25. Dinner to Their Majesties by the Prime Minister at 10 Downing Street.

26. Queen Mary's Birthday. Court Ball at Buckingham Palace.

27. Their Majesties attend a Reception by the London County Council at County Hall.

28 (and June 22). The King holds Levees at St. James's Palace.

June

9. Official celebrations of the King's Birthday.
Trooping the Color on Horse Guards Parade.

10-11. The King holds Investitures.

22. The King holds a Levee at St. James's Palace.
Garden Party in the grounds of Buckingham Palace.

27. The King reviews Ex-Service Men.

July

1. Their Majesties hold a Court at Buckingham Palace.

5-12. Their Majesties visit Scotland.

14-15. Their Majesties visit Wales.

22. Garden Party in the grounds of Buckingham Palace.

Travellers

D. A. Dunlop, Toronto, sailed recently aboard the Bremen for Europe.

* * *

A. E. and Mrs. Dyment, Toronto, have returned from a vacation at Preston Springs.

* * *

R. R. Bongard, head of the firm of Bongard and Co., Toronto, has returned from a month's visit in California.

* * *

Frank B. Common, Montreal, and members of his family, are holidaying in Florida.

* * *

W. R. and Mrs. Eakin, Montreal, have sailed aboard the Duchess of York to attend the Coronation.

* * *

Sir Robert and Lady Borden, who have been holidaying in Georgia, are now in Atlantic City. They return to Ottawa shortly.

Follow the Blossom Trail

Japanese cherry trees are decked like lovely ballerinas in Washington. Charleston, S.C., and Savannah, Ga., are aglow with Spring blossoms. The Ask Mr. Foster Travel Service at Simpson's will plan and arrange delightful trips to these and other bowers of beauty. There is no extra charge for this service. Fourth Floor—Yonge and Richmond Streets.

The Ask Mr. Foster Travel Service

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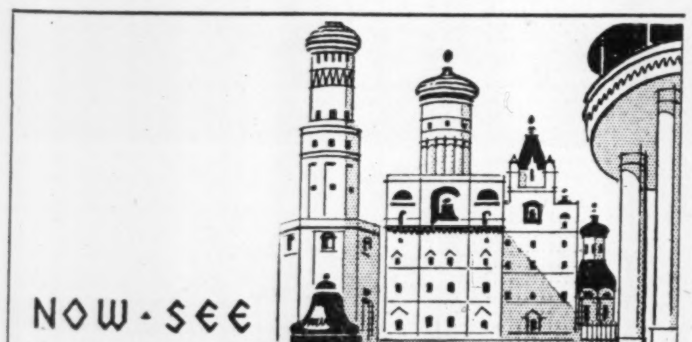


NOW-SEE THE BALTIC and RUSSIA

Sail from SOUTHAMPTON July 10

Empress-Australia

20-DAY CRUISE $189 UP

5 connecting sailings—Round trip Atlantic fares on application.

● See the picturesque cities of Northern Europe and charming Baltic resorts. Bergen, Ulvik and Eidfjord in Norway; Stockholm, Sweden. *Spend thrilling days in Russia.* Returning, you visit Helsingfors, Germany (Travemunde), Copenhagen and then back to Southampton. See the pageantry of Great Britain and the Continent in this Coronation-Paris Exposition Year.

ON BOARD—a round of fun—deck sports, social gaiety, swimming, talkies, parties; unexcelled accommodation, service and cuisine. On one of the largest and most luxurious liners ever to cruise the Baltic.

Your cruise ship, *Empress of Australia*, sails from Quebec July 2 (no extra charge for meals and berth while in Southampton). Or you may select other connecting Canadian Pacific ships for additional time in the British Isles. Return at your leisure.

Cruise folder and full information from your own travel agent or

E. F. THOMPSON, Steamship General Agent, Canadian Pacific Bldg. Toronto.

Canadian Pacific

ON THE TRAIL OF '98

From eastern Canada and the United States by rail, northward in the coastal ships plying the "inside passage," thousands of summer vacationists this year will visit Alaska. Ketchikan (top) is a port of call on the route and meeting place for Alaskan Indians. Skagway (lower) is the northern terminal port for the large steamers. Map shows steamer routes up the coast of British Columbia.

Across Canada: 1

Eleven-Day Boat Journey Explores B. C. Coastline

Bookings for Trips Expected to Reach Peak This Year

Alaska, once the magnet for gold seekers, will be the goal this year for hundreds of Canadian and foreign tourists planning new fields to conquer.

Already, thougn tne cruises do not start until June, Canadian National and Canadian Pacific officials report enquiries and bookings for steamship trips up the inside passage along the coast of British Columbia to Skagway. This trip can be extended by rail and river boat down the Yukon to Dawson City.

From eastern and central Canada the journey to the coast by rail is the longest lap of the trip, but in travelling time it can be made in fewer days than the journey north from Vancouver by boat.

A shorter cruise, listed at $48, including meals and stateroom accommodation, is the five days journey from Vancouver to northern British Columbia. The boat touches at Portland Canal, the southeastern tip of Alaska, scene of British Columbia base metal mining revival. Calls at Powell River, Ocean Falls, Prince Rupert, Anyox, Stewart and Hyder, Alaska, are also included.

The nine days journey to Skagway and return costs $95.

$115 For 11-day Trip

The 11-days round trip from Vancouver to Skagway via the Mackenzie Rock, the Gardner canal-fjord of the Hanging Valleys, and Sitka, once the capital of Russian Alaska, is being arranged at a fare of $115 from Seattle, Vancouver, Victoria or Prince Rupert. This is the minimum cost to the traveller for return fare, meals and berth on the steamer. At Skagway accommodation requires an additional expense. Higher priced accommodation on the steamers of the Canadian Pacific and Canadian National can be obtained.

The visitor leaving from Vancouver makes one of the first stops at Cormorant Island off the east coast of Vancouver Island, en route to Alaska, and at this point are seen the first totem poles. Heraldic designs cover the tall poles on the streets of Alert Bay at Cormorant Island and other poles decorate the cemetery. Traces of the old Indian communal lodge are seen in the huge poles which form the lodge framework, and Alert Bay is still the capital for 13 tribes of coast Indians whose livelihood is gained chiefly from fishing. The totem poles are not idols of these tribes but they represent animal spirits friendly to the tribe or clan. In the case of the Alert Bay Indians, the raven is the tribal bird indicated on the totems.

From Alert Bay the ship crosses Queen Charlotte Sound before entering the archipelago of islands along the B. C. coast.

Going north from Queen Charlotte Sound, several stops are made along the "inside passage," until Prince Rupert is reached. This is the largest settlement in North British Columbia. It has grown from a village built on stilts, overhanging the water and is the harbor for a large fishing fleet.

North of Prince Rupert is Port Simpson at the B.C.-Alaskan border. This was an old Hudson's Bay trading post. The first Alaskan port, Ketchikan, is a fishing centre and meeting place for the Indians of the Metlakatla, Thlinget and Haida tribes. Three famous totems stand at Ketchikan; the Kyan and Johnson totems and the Captain Cook totem which is topped by a stovepipe hat.

At Wrangell the visitor gets his first taste of Alaskan scenery. The port of Wrangell takes its name from Baron Wrangell, governor in 1830 at the time when the north Pacific was under Russian rule. The town is the gateway to the Cassiar and Stikine River and contains interesting relics of both Russian and Indian civilizations.

Passing through the Wrangell Narrows, the ship steams into Taku Inlet where the mighty Taku glacier comes into view. It is a huge mass of slowly moving ice ending in sheer cliffs where it has broken off on meeting the sea water. Icebergs are continually floating away from the glacier's vast surface of a mile to five miles in width and 90 miles in length. Ice floes pass the steamer as it edges to point within a safe distance of the glacier.

Juneau, capital of Alaska, is next reached on the northward voyage and here, on the slope of a huge mountain, is seen the city which owes its existence chiefly to gold mining, including the once sensational glory hole of the Treadwell.

Through Lynn Canal

The last lap of the Alaskan voyage is through the Lynn Canal. The Lynn Canal cuts a wild and beautiful country in the form of a fjord and with Chatham Straits of which it is an extension, it is one of the deepest and longest geological "faults" on the Pacific Coast. Mountains tower to a height of 4,000 and 6,000 feet on either side of the canal and traces of ancient glaciers are clearly visible at many points, with existing glaciers seen on the western side at Davidson, Rainbow, Garrison and Bertha. These are all offshoots from the huge Muir glacier.

At almost every point are reminders of the gold rush of '98. As the ship approaches Skagway it passes Haines, gateway to the Porcupine mining area and nearby is Chilkoot. At Chilkoot was the landing stage used for travellers to the Chilkoot Pass in the gold rush days.

Picturesque Skagway

The arrival at the terminus port of Skagway is one of the features of the trip. The Lynn Canal winds through the mountainous country until at the turn of a bend is seen the once rip-roaring town of '98, and home of the infamous Soapy Smith and his gang, now a quiet and well-behaved community in which flower gardens are a prominent feature of the local landscape.

From Skagway Fortune Bay, Smuggler's Cove or the great Denver glacier are within hiking distance. The cost of accommodation at Skagway, although not included in the fares announced for trips this year, is not high. Inland from Skagway the journey is made on a narrow gauge line, the White Pass and Yukon Railroad in observation cars over a track blasted nearly all the way through solid rock. Dead Horse Gulch is reached en route and relics of the gold rush days again are seen in the trails of early prospectors. At the international boundary the train crosses into the Yukon and a stop is made at Bennett where those returning to Skagway the same day commence the southward journey.

Shooting The Rapids

Whitehorse is the southern terminus of the sternwheel steamer which paddies its way down the Yukon to Dawson. The trip requires a full two days, or four days to return. Herds of caribou can be seen swimming the river on the way to summer pasture and there is the thrill of shooting the Five Finger Rapids.

At Dawson City much of the old-time romance of the mining city remains though the industry has been revived by modern mining methods. At Dawson is the cabin of Robt. Service and the Indian village of Moosehide. Sections of the city are noted for their flower gardens. The short season has produced its own particular school of horticulture which rivals any southern city. An increasingly popular tour from Dawson is the Yukon River Circle journey, swinging around to Fairbanks, up the Tenana and over the Alaskan Railroad to Seward. By this means it is possible to visit the Mount McKinley National Park, where the mountain rises 20,300 feet above sea level, and visits can also be made to Kenai Lake. Placer River Canyon and Spencer Glacier.

The combination of rail and water travel, of Alaska and British Columbia, is one making a wide appeal. From the east, many travellers plan to stop at Jasper National Park, largest national park in North America, and those who disembark at Prince Rupert can also visit Jasper, returning south to Vancouver and thus completing the triangle tour of British Columbia.

Summer Travel Will Be Heavy

Saguenay, Western Tours and National Parks Lead in Popularity

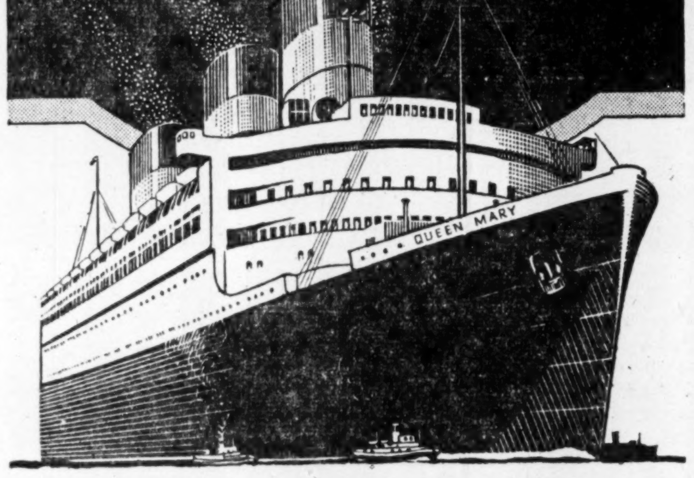
Where will Canadians and visitors to Canada spend their summer holidays this year?

No single area or Canadian vacation resort can be rated as the most popular, for types of vacations differ to include water trips, motor tours and a dozen types of summer recreation. The trend this year is nevertheless making itself evident in early enquiries received by travel bureaus and the transportation systems, and these are divided into various groups according to areas and types of holiday accommodation required.

If early indications are accurate Alaska, the Yukon and the water route up the British Columbia coast will prove popular. Closely associated with this vacation itinerary is the interest shown by both Canadians and Americans regarding western tours to the Pacific Coast, returning via the large national parks. The fact that motor tours can be combined with lake trips to the head of the Great Lakes from eastern Canada has aroused the interest of many who will drive part of the way west, ship their cars aboard great lakes steamers and continue west by motor. Hundreds of others are planning the western trip by rail to Vancouver, combining this journey with stops at the leading park areas of the West.

In eastern Canada the all expense cruises down the St. Lawrence and up the Saguenay River lead in popularity, according to early enquiries. These trips are inexpensive and include rates as low as $15 from Toronto to the Thousand Islands and up to $71 or more for the six days' cruise to Murray Bay and the Manoir Richelieu, or $95 for the Saguenay cruise.

FACTS that Distinguish a Great Atlantic Fleet



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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING APRIL 5

Range 1937 High	Low	Div Apr 3 R'te $	Y'ld %		Sales	Last Mar. 29	Week end. Apr. 5 H	L	Cl'se
				A					
14¼	6¼	.	...	Abitibi	220566	8¾	14¼	8¾	14¼
80	41¼	.	..	Do. pref. 6%	41711	60¼	80	62	79
94	60	.	...	Do. pref. 7%	165	80	94	89	94
79¼	41	.	...	Do. cert. dep.	3210	61	79¼	65¼	79
6¾	5	10c	...	Acadia Sugar	115	5¾	5¾	5	5
18¼	11	50c	4.5	Acme Glove	35	14	11	11	11
94	75	6.50	8.6	Do. pref.	25	90	75	75	75
12	8¼	40c	4	Agnew Surp.	410	9¼	10¼	10	10
110	107	7	6.2	Do. pref.	10	107	107	107	107
7	4¼	.	...	Alta. Pac. Gr.	1865	6¼	6¾	5	6¼
42¼	28	.	...	Do. pref.	555	34¼	40	34	38¼
135	116	.	...	Aluminum	35	135	131	131	131
7	5	.	...	Amal. Electric	100	6¼	6¼	6¼	..
[illegible]				[illegible]					

Range 1937 High	Low	Div Apr 3 R'te $	Y'ld %		Sales	Last Mar. 29	Week end. Apr. 5 H	L	Cl'se
31	24	.	...	Foundation Co.	6140	25	[illegible]	[illegible]	[illegible]
50	29	.	...	Fraser Cos.	1994	41	[illegible]	[illegible]	[illegible]
50	29¼	.	...	Do. Vot. Tr.	155975	42¼	[illegible]	[illegible]	[illegible]
52	45	.	...	Freiman, pf.	5	48	[illegible]	[illegible]	[illegible]
11	6¼	.	...	Frost Steel	25	7	[illegible]	[illegible]	[illegible]
107	100¼	5.25	...	Do. pref.	1	106	[illegible]	[illegible]	[illegible]
48	42	.	...	Frost Steel A pf	10	..	[illegible]	[illegible]	[illegible]
				G					
18	8	.	...	Gen. St. Wares.	5586	16	[illegible]	[illegible]	[illegible]
110	76	.	...	Do. pref.	223	103	[illegible]	[illegible]	[illegible]
92¼	84	2.50+2.50		Goodyear Tire	125	87	[illegible]	[illegible]	[illegible]
57	53	2.50	4.5	Do. pref.	167	55	[illegible]	[illegible]	[illegible]
26¼	13¼	.	...	Gt. Lakes Pap.	5076	18¼	[illegible]	[illegible]	[illegible]
50	33	.	...	Do. pref.	4235	41¼	[illegible]	[illegible]	[illegible]
3¼	1¼	.	...	Gt. W. Saddlery	285	1¼	[illegible]	[illegible]	[illegible]
40	29¼	.	...	Do. pref.	45	36	[illegible]	[illegible]	[illegible]
15¼	7¼	20c	...	Gurd, Chas.	345	13	[illegible]	[illegible]	[illegible]
101	95	7	7	Do. pref.	6	100	[illegible]	[illegible]	[illegible]
18¼	14	.	...	Gypsum, Lime.	13990	15¾	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]					

On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus 1% paid Jan. 2, and 1% payable Mar. 26, 1937
▲ Capital distribution.
† 1936.

Mining Stock Quotations

WEEK ENDED APRIL 5

Par Val.	Range 1937 High	Low	Company	Sales	Close Mar. 29 (or last)	High for Week	Low for week	Close Apr. 5
1	.10½	.06½	Afton	11,280	.07	.07	.06¼	.06¼
No	1.90	1.42	Aldermac	71,850	1.58	1.65	1.46	1.46
1	.04¾	.03	Alexandria	13,600	.03½	.03½	.03	.03
No	8.75	6.50	Anglo-Huronian	535	7.55	7.50	7.25	7.25
1	1.42	.88	Argosy	52,555	1.01	1.10	.88	.92
1	1.15	.76	Arntfield	72,825	.88	1.06	.93	.95
No	.09	.04½	Arno	4,600	.05	.05½	.04½	.04½
1	.15	.09	Ashley	12,600	.11½	.12	.10½	.12
1	.27	.09	Astoria Rouyn	247,005	.17	.19½	.16	.16½
50c.	.16	.07	Aztec	9,000	.09	.10½	.09½	.10½
1	.36	.24	Bagamac	5,045	.28	.28	.25	.26
1	1.85	1.20	Bankfield	31,948	1.30	1.42	1.25	1.27
1	.65	.25	Base Metals	29,925	.44½	.51	.45	.49
No	1.75	1.30	Beattie Gold	52,015	1.44	1.65	1.49	1.58
1	.65	.43	Beaufor	14,600	.46	.52	.45	.52
1	1.70	1.10	Bidgood Kirk.	43,275	1.17	1.29	1.20	1.21
1	.72	.54	Big Missouri	11,530	.58	.60	.54	.57
1	.29	.19	Bobjo	23,100	.20	.21	.19	.19
1	1.14	.46	Bouscadillac G.M	10,550	.71	.78	.70	.75
No	9.00	7.90	Bralorne	2,127	8.60	8.55	8.00	8.55
1	.15	.07	Brazil Gold	......	(.08 bid	.10 asked)		
1	.21	.11½	Brett Trethewey	36,200	.12	.15	.11½	.12
1	.13	.08	Brownlee	73,150	.08½	.10	.08	.08
1	12.50	11.00	Buffalo Ankerite	1,910	11.50	11.75	11.00	11.25
No	.06½	.04½	Buffalo Can.	6,000	.05	.05½	.05	.05
5	30.00	27.00	Bulolo Gold	700	27.50	27.50	27.00	27.50
No	.23	.10	Bunker Hill	5,510	.14	.17	.14	.16
No	2.30	1.57	Can. Malartic	9,875	1.95	1.95	1.78	1.85
[illegible]			[illegible]					

OIL STOCKS

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close Mar. 29	High for week	Low for week	Close Apr. 5
No	.40	.10	Freehold	211,600	[illegible]	[illegible]	.38	.40
No	.80	.14	Hargal	2,700	.19	.16	.12½	.13½
No	4.10	2.05	High Sarcee	16,100	.27	.23	.21	.23
No	.88	.29	Home Oil	12,850	.28	.27	.23	.27
No	.35	.04½	Lowery	16,800	2.25	2.25	1.85	2.05
No	.50	.15	Madison	30,400	.52	.35	.20	.29
No	.78	.18	Marion Oil	17,350	.12½	.13	.09	.11½
1	1.60	.55	McD. Segur Ex.	41,850	.29	.24	.20	.24
No	.83	.22	McLeod	600	.29	.27	.20	.23
No	.39	.12½	Mercury	102,535	1.00	.75	.68	.70
No	.65	.08	Merland	1,300	.41	.38	.29	.34
No	.65	.18	Mid-West	1,400	.18	.19	.16	.19
...	.24	.24	Mill City Pete	1,900	.25	.25	.20	.25
1	1.15	.44	Monarch Royal	1,000	.25	.20	.18	.25
5	.48	.17½	Model	17,125	.....	.24	.24	.24
No	4.60	.65	Nordon	13,000	.58	.55	.44	.50
No	.44	.13½	Okalta	35,855	.25	.26	.20	.26
1	1.50	.40	Pacalta Oil	29,400	1.95	1.75	1.25	1.50
No	59.00	43.00	Ranchmen's	22,150	.22	.22	.18	.20
No	3.00	.49	Royalite	108	.55	.65	.40	.54
1	.75	.25½	Southwest Pete	4,300	49.00	48.00	46.50	47.00
No	.72	.16½	Spooner	100	1.20	.90	.49	.80
No	.38	.05	United	23,450	.45	.30	.30	.30
1	1.05	.95	Vanalta	16,100	.32	.30	.22	.28
			Vulcan	8,810	.13	.13	.10	.11½
					1.50	1.40	1.20	1.35

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Forest Hill, Ont.	Apr. 2	R. A. Daly & Co.; Fry & Co.	4%	1938-57	$250,000	101.136	3.85%
County of Lanark, Ont.	Mar.	J. L. Graham & Co.	3½%	1938-52	$ 36,800	97.00	3.93%
Dominion—							
Canada Treasury Bills	Apr. 1	Chartered Banks	...	July 2	$25,000,000	99.80237	.786%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
R. C. Bishops of Saint John, N.B.	Mar. 19	Eaqueux & Darveau	3%	1938-42	$ 70,000	*100	
			3½%	1943-47	$ 82,500		
			4%	1948-55	$172,500		

* Offering price.

Corporation Bonds

Apr. 6, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Apr. 6	Asked	Bid Mar. 30
‡Ass. Tel. & Tel.	5½	'55	86½	89½	86½
Beauharnois P.	5	'73	71	74	54½
‡Bell Telephone	5	'55	...	114	110½
‡Do.	5	'57	115½	118½	114
B. C. Power	4½	'60	97	100	96
B. C. Tele.	4½	'61	104	107	104
‡Calgary Pwr.	5	'60	96	99	95
†Can. Nor. Pwr.	5	'53	102	105	101½
‡Dom. Gas. & El.	6½	'45	91½	94½	92
‡Gatineau Pwr.	5	'56	100½	103½	100½
‡Do., A	6	'41	101	104	100½
‡Do., B	6	'41	100½	103½	99½
Gt. Lakes Pwr.	4½	'56	93	96	91½
‡Inter. Hydro-E.	6	'44	79½	82½	79½
‡Inter. Power	6	'57	98	101	97½
‡Do.	6½	'57	100	103	100
▲Do.	6	'55	100½	103½	100½
†Maclaren-Que. Power	5½	'61	97	100	95½
†Do.	5½	'64	96	99	92½
†Mtl. Island Pr.	5½	'57	103	106	103
†Mtl. L. H. & Pr.	3½	'56	97½	100½	98
†Mtl. Tramways	5	'41	101½	104½	102
†Do	5	'55	80	83	76½
Nfld. L. & P.	4½	'56	100	103	101
Nat'l. L. & P.	6	'49	95½	98½	95½
N. S. L. & P.	4	'57	98	101	97½
†Ot'wa L.H.&P.	5	'57	105	108	104½
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	103	106	105
†Power Corp.	4½	'59	99	102	98½
‡Quebec Pwr.	5	'68	103	106	102½
Saguenay Pr., B	4½	'66	102½	105½	102½
*Do., A	4½	'66	101	104	100½
†Shaw. W. & Pr.	4	'61	95½	98½	96
†Do.	4½	'70	102	105	101½
†South. Can. Pr.	5	'55	102	105	102
†West. Pwr. Co.	5	'49	104	107	104
‡Winnipeg Elec.	4½	'60	104	107	104
‡Do., A	4	'65	79½	82½	77½
‡Do., B	4	'65	73½	76½	72
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	107½	110½	98½
Acadia Sugar	4½	'55	101½	104½	101½
†Alta. Pac. Gr.	6	'46	96½	99½	96½
Asbestos Corp.	5	'42	100	103	100
B. A. Oil	4	'45	101	104	101½
Canada Bread	6½	'41	109	112	109
†Canada Cement	4½	'51	100	103	100
†Canada Paper	4½	'52	95	98	95½
Can. Steamship	6	'41	71	74	67
Can. Canners	4	'51	97½	100½	97
Can. Bakeries	6½	'45	99½	...	99½
‡Can. Inter. Pap.	6	'49	101½	104½	101½
C. P. R.	3½	'51	102½	105½	102
Do.	4	'49	105	108	105½
Do.	4½	'44	102	105	102
†Can Vickers	6	'47	101	104	101½
†Consol Paper	5½	'61	104½	107½	99
‡Dom. Coal	6	'55	100	103	100
Dom. Sq Corp.	6	'48	75½	78½	75½
▲Dom. Stl. & C.	6½	'55	113	116	112
Dom. Tar	4½	'51	98½	101½	98
Dom. Textile	4½	'55	106	109	106
†Donnacona P.	4-4½	'56	84½	87½	85
†Eastern Dairies	6	'49	85½	88½	85½
†Famous Play.	4½	'51	96½	99½	96
†Federal Grain	6	'49	100½	103½	100½
†Fraser Cos.	6	'50	101½	104½	101
Great Lakes Pap.	5	'55	95½	98½	96
†Gypsum L.&A.	5½	'48	102	105	102
†Gr. Br. & Can. Invest.	4½	'59	88	91	88½
Hamilton Cot.	5½	'48	103	...	103
Ham. By-Prod. Coke	5	'55	99	102	99
Do.	6	'56	98½	101½	98½
†Inter. Paper.	6	'55	98½	101½	98½
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	103	106	103
Inter-City West. Bakeries	6½	'50	57	62	63
Kingston Elev.	6	'50	98	101	98
Lake St. John P. & P.	5½	'61	101½	104½	101
Do.	5	'61	85	88	84½
Lond. Can. Inv.	4½	'48	96½	99½	96½
Maple L. Mill. (Bundles)	5½	'49	85½	88½	84
Massey-Harris	5	'47	99	102	99
McColl-Front.	6	'49	102½	105½	103
Mercury Mills	5½	'53	79	83	80
Mersey Paper	6	'49	100	103	101
M. & O. Paper	6	'45	82	85	73
Mtl. Dry Docks	6	'48	92	95	93½
Nat'l Grocers	4	'47	100	103	100
N. A. Elevators	6	'50	96½	99½	96
Nor. Ont. Bldg.	6½	'39	99	102	98½
Price Bros.	5	'57	98½	101½	98
Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	103	100
Reliance Grain	4½	'52	98½	101½	98½
Restigouche Co.	6	'48	112½	115½	112
Rich. Bay Bldg.	6½	'47	100½	103½	100½
Rolland Paper	4½	'51	103	106	103
Ruddy & Co.	6½	'48	98½	101½	98½
Simpsons Ltd.	4½	'51	95	98	95
Smith, Howard	4½	'51	100½	103½	100½
Steel of Can.	6	'40	111½	114½	111½
Sterling Coal	6	'40	91½	...	91½
Stop & Shop	6	'47	76	81	77
*Twin City	5½	'52	85	88	85
United Amuse.	5	'56	99	102	97
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	94½	97½	96
Do.	5½	'49	97½	100½	98
Union Gas	4½	'50	96½	99½	96½
▲Wabasso Cot.	4½	'51	95½	98½	95½
†Western Grain.	6	'49	77	80	76½
Windsor Hotel	6½	'43	82	85	82½
Do	6	'47	42	45	43
Zimmerknit	6	'51	98	...	98

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Mines

	Bid	Asked
Alden G.	.31	.32
Albany River	.85	.87
Algold	.56	.58
Amm Gold	.35	.38
Arno	.04	.05
Athona	.25	.27
Arrowhead	.40	.41
Area	.04½	.05
Augite	.38	.40
Bailor	.05¼	.06¼
Bar Lar	.25	.28
Bathurst New	.04½	.05½
Bid'Lamaque	.32	.35
B. L. Lac	.05½	.06
Bilmac	.21	.23
Baldwin	.03¾	.04
Blanchette	.27	.23
Brengold	.10	.12
Bousquet	.08	.09½
Britcanna	.68	.71
Cal Bcus.	.15	.17
Cal. Flin Flon	.09	.11
Can. Pan.	.15	.15½
Can. Kirk.	.03½	.04
Candalaca	.49	.51
Casey Co.	.03	.03½
Centrecour	.40	.43
Chesterville	2.50	2.60
Coin Lake	.14	.16
Condor. O.	.07	.08
Con Kirk.	.54	.57
Cooke Lake	.45	.47
Cres. Kirk.	.18	.20
Cuniptau	.09½	.10½
Darwin	.26	.29
D. White	.27	.30
Demp Cadillac	.31	.33
Den. Nic'l	.45	.48
Desantis. New	.61	.64
Don Mar.	.27	.28
Doreva	.35	.40
Dunlop New	.12½	.13½
Electra P.	.21	.23
Eva Lake	.14	.17
Faulkenham	..	.55
Fernland	.25	.27
Franklin	.02½	.03
Frontier	.19	.22
Garnet	.05	.06
Gate Pat.	.13	.15
Gilbec	.04½	.05½
G. Range	.04	.05
Goldside	.05¾	.06
Gold Gate	.63	.65
Gor. Lebel	.19	.21
Grenadier	.30	.33
Hayes Cad.	..	.13
Hud. Patricia	.06	.08
Hislop	.18	.20
Horseshoe	.03½	.07½
Hutch. Lake	.24	.26
H. P. Porc.	.34	.36
John Nip.	.06	.07½
Kath. Lead	.35	.37
Kaw Crow	.15	.16
Kenecho	.14	.16
Kenricia	.85	..
Kew'Gama	.55	.60
King Kirk.	.04	.04¾
Kir-Vit.	.27	.29
Kirk. Hun.	.03	.03½
Kirk. Gate	.21	.23
Kirk. King	.15	.18
Lafayette	.04¼	.04½
Lake Geneva	.69	.71
Lamaque	8.75	9.00
Lardego	.16	.18
McC. R. L.	.15	.17
Magnet	.15	.17
Magnet. C.	.39	.42
Mal. Gold	.50	.53
M. McNeilly	.10	.11
Martin B.	1.14	1.16
Margaret	.50	.52
Maritime	.40	.43
Man. Basin	.03½	.04
Matona	.43	.45
Mat. Can.	.16	.18
Moffatt New	.08	.09½
MacFarlane	.08½	.10½
McC. Webb	.38	.42
McV. Kirk.	.10½	.11½
Moorhla	.63	.66
Mosher	.38	.38

UNLISTED MINES—(Continued)

	Bid	Asked
Normetal	1.90	2.00
North Shores	.04	.04½
Nor. Min.	.16	.18
Oklend	.37	.40
Oleary	.18	.19
Opem. Copper	.43	.46
Oriole	.16½	.17
Ossian	.06½	.07½
Osoyoos	.60	.63
Pascalis	.43	.45
Payore	.36	.38
Porc. McN.	.08	.09
Porc. Unit	.12	.14
Porcupine Lak	.44	.46
Por. G. R.	.04	.04½
Porc. Tri.	.24	.26
P. Rouyn	.17	.19
Pelangio	.26	.28
Prop'ary	2.55	2.65
Que'Mar'c	.20	.23
Que. Man.	1.65	1.70
Rajah	.27	.30
Richmac	.56	.58
Ribago	.04¾	.05¼
Roeanor	.22	.24
Rouyn Reward	.14	.15½
Rubec	.11	.12
Sand River	.41	.42
Schreiber	.11	.13
Shenango	.26	.29
Sil. Valley	.16	.18
Skookum	.20	.22
Siscoe Ex.	.41	.43
Smelter	.05	.06
Spooner	.26	.28
Sturgeon River	.48	.51
Springer	.15	.17
Straw L. B.	.20	.23
Tonawanda	.09½	.10½
Uchi. Lake	1.20	1.30
Upper Canada	.80	.83
Valoc	.09½	.10½
Wascana	.35	.37
Williamson	.14	.15
Wesley	.18	.20
Westside	.14½	.15
West Red Lake	.07½	.08½
White Horse	.17	.20
Wendigo	.28	.31
Winoga	.24	.26
Woco	.25	.23
Young Davidson	.16	.18
Young Shannon	..	.12
Ypres. Cad.	.22	.24
Big Master	.12	.15

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
Apr. 6, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar, com.	5.50	6.00
Do., pfd.	5.25	5.50
Acme Farmers Dairy, pfd.	60.00	65.00
Algoma Steel Corp., com.	21.50	22.50
Do., pfd.	90.50	91.50
Andian Nat.	48.25	49.00
Assoc. Tel. & Tel., pfd.	49.00	52.00
B. C. Pulp & Paper, pfd.	57.00	60.00
Do., com.	14.50	17.00
Brandram-Henderson, com.	2.50	....
Do., pfd.	12.25	....
Burns & Co., A	16.00	16.75
Do., B	6.50	7.25
Canada & Dom. Sugar	71.00	72.00
Canada Starch, com.	27.00	....
Do., pfd.	106.00	....
Can. Tube & Steel, pfd.	80.50	....
Do., com.	10.00	10.75
Can. Wire & Cable, pfd.	115.00	117.00
Can. Airways	8.25	9.50
Can. Industries, A com.	248.00	252.00
Do., B com.	244.00	246.00
Do., pfd.	159.00	161.00
Can. Ingersoll-Rand	130.00	132.00
Can. Westinghouse	70.00	72.00
Chase, A. W., pfd. bonus	27.00	28.00
Claude Neon, Gen. Adv., pfd.	13.00	....
Conduits Nat., com.	6.00	6.50
Crescent Creamery, pfd.	35.50	37.00
Dom. Found. & Steel, pfd.	98.50	100.00
Dominion Rubber, pfd.	105.00	....
Dominion Woollens, com.	.75	*1.25
Do., pfd.	1.50	*2.50
Dunlop Tire, pfd.	89.00	94.00
Federal Grain, com.	4.85	5.25
Do., pfd.	48.00	50.00
Goderich Elevator & Trans.	6.50	7.75
Greening Wire, pfd	104.50	....
Guelph Carpet, pfd.	106.00	107.50
Do., com.	26.00	28.00
Hayes Steel Prod., com.	10.25	12.25
Do., pfd.	7.75	8.50
Highland Dairy, com.	2.00	2.85
Do., pfd.	80.00	82.00
Inter City Baking, com.	38.00	39.00
Inter. Met. Indust., A pfd.	102.50	103.50
Lake St. John, com.	66.75	....
Loblaw's (U.S.) Units	61.00	....
McCormick's, com.	4.50	4.75
Do., pfd.	11.00	....
Mercury Mills, com.	2.50	....
Moirs, pfd.	42.50	....
Morrison Brass, pfd. bonus	10.75	13.00
Mount Royal Hotel, pfd.	*4.25	....
N. Meth. Laund., pfd. bonus	92.00	....
Perfection Pete., pfd.	20.00	24.00
Provincial Paper, pfd.	106.50	107.50
Reliance Grain, com.	11.00	12.00
Do., pfd.	97.50	100.00
Robinson Consol. Cone	9.75	10.25
Ruddy, E. L., pfd.	42.50	47.00
Seal O Sac (Can.)	23.00	24.50
Silverwoods Dairies, pfd.	3.35	....
Standard Fuel, com.	7.50	9.00
Do., pfd.	102.50	104.00
Supertest Pet., B pfd.	27.00	29.00
Toronto Carpet, com.	48.00	....
Do., pfd.	48.00	....
United Steel, A pfd.	20.00	20.50
Western Grain, pfd. bonus	11.50	14.00
Weston (Geo.) Foods (Eng.)	3.15	4.00
Wings Limited	1.60	2.00
Trust and Loan Stocks:		
Chartered Trust	95.00	....
Commercial Finance, com.	2.60	3.00
Guelph Ont. Inv., par $50	48.50	53.00
London & West. Trust	57.00	61.00
Prudential Trust	5.00	....
Sterling Trust	39.00	....
Traders Fin., com.	15.00	18.00
Do., B pfd. bonus	96.00	....
Trusts & Guarantee	32.00	34.00
Insurance Stocks:		
Canada Life	535.00	542.00
Canadian Ins. Shares	15.00	18.00
Confederation Life, 20% pd.	115.00	118.00
Dominion Fire	135.00	....
Dom. of Can. Gen.	135.00	145.00
Empire Life, 25% pd.	11.50	13.00
Federal Fire, 25% pd.	40.00	....
Fidelity Ins. of Can.	50.00	....
Great West Life	340.00	350.00
Guar. Co. of N.A., fully pd.	291.00	304.00
Imperial Life	365.00	375.00
Manufacturers Life	251.00	260.00
Monarch Life, 10% pd.	22.50	24.50
Sovereign Life, 25% pd.	15.00	18.00
Sun Life Assurance	730.00	750.00
Western Assurance, com.	51.00	....
Western Assurance, pfd.	40.50	45.00
Theatre Stocks:		
Allens, Kingston, pfd.	65.00	74.00
Do., Parkdale, pfd.	70.00	....
Do., St. Catharines, pfd.	65.50	....
Do., Tor., pfd. bonus com.	29.00	33.00
Loew's, London, pfd.	2.75	3.25
Do., Toronto, pfd.	115.00	122.00
Mansfield Theatre, pfd.	35.00	40.00
Paramount, Kitchener, pfd.	62.00	....
Do., Oshawa, pfd.	91.50	96.00
United Amusement, A	26.50	29.50
Investment Trust Shares:		
Can. Gen. Invest.	10.90	11.15
Can. Int. Inv. Trust, pfd. bon.	110.50	....
Can. Investment Fund	4.95	5.20
Can. Investors Corp.	10.00	10.50
Cons. Div. Std. Sec. Units	21.50	....
Investment Found., pfd. bon.	69.00	71.00
Lon. Can. Invest., com.	5.15	5.50
Sec's Hold.-Corp., com.	1.25	2.25
Do., pfd. bonus	26.00	27.50
United Corpns., A	25.00	26.00
Do., B	32.25	33.25
Power Issues:		
Calgary Power, pfd.	91.50	93.50
Can. West. Nat. Gas, pfd.	93.50	95.00
Do., com.	27.00	....
Foreign Power Sec's., pfd.	11.00	13.50
Great Lakes Power, pfd.	98.00	101.00
Inter. Util., $1.75 pfd.	16.50	17.50
Montreal Island Pwr., pfd.	19.00	20.50
New Brunswick Tel., com.	13.50	14.50

Listed Bonds

Week Ended Apr. 5, 1937

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50¼	50½	50¾	50¼

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.50	111.50	4.24
Hamilton	5	1950	107.00	110.00	4.00
Montreal	5	1945	101.00	103.50	4.48
Ottawa	4½	1945	105.25	107.25	3.50
†Quebec	5	1959	101.00	103.50	4.75
Saint John	5	1950	105.50	106.50	4.37
Toronto	4½	1955	107.00	110.00	3.73
†Vancouver	5	1950	86.00	91.00	5.95
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.90	5.10
Can. Invest. Fund	4.80	5.15
All Can. Trustee	15.75	16.25
Trans-Canada	15.85	....
Grouped Income	6.70	7.35
Can. Equity	14.50	....
Can. Int. Tr., modified	6.00	6.75
Do., unmodified	5.75	6.25

Government Bonds

Dominion of Canada Bonds

Apr. 7, 1937		Bid	Ask.	Approx. Yld.
3½	1 Dec. '37	102.50	103.50	.60
2½	15 Oct. '39	101.75	102.50	1.47
4	15 Oct. '39	105.25	106.25	1.49
2	15 Nov. '39	100.75	101.50	1.41
1½	1 June '40	99.75	100.50	1.34
4½	1 Sept. '40	107.00	108.00	2.05
1	15 Mar. '41	97.25	98.00	1.52
5	15 Nov. '41	109.75	110.50	2.57
3	15 Oct. '42	102.75	103.50	2.32
2½	1 June '43	100.00	101.00	2.32
5	15 Oct. '43	110.75	111.50	3.05
4½	15 Oct. '44	108.50	109.25	3.11
2½	15 Aug. '45	97.00	97.75	2.81
4	15 Oct. '45	105.00	105.50	▲3.06
4½	1 Feb. '46	108.25	109.00	3.31
3¾	15 Oct. '49	100.50	101.25	▲3.31
4	15 Oct. '52	104.00	104.50	▲3.49
3	1 June '55	95.25	96.00	3.29
4½	1 Nov. '56	106.75	107.75	▲3.57
4½	1 Nov. '57	107.00	107.75	▲3.64
4½	1 Nov. '58	107.25	108.00	▲3.67
4½	1 Nov. '59	107.25	108.00	▲3.72
3¼	15 Jan. '61	97.00	97.75	3.39
3¼	1 June '66	95.50	96.25	3.45
3	Perp. bds.	85.75	86.50	3.47

Dominion Guaranteed Bonds

Canadian National Railway:		Bid	Ask.	Yld.
3	1 May '44	100.50	101.50	2.76
3	15 Dec. '50	94.75	95.75	3.39
3	15 Feb. '53	93.50	94.50	3.45
*4½	1 Sept. '51	110.00	111.00	3.52
*4½	1 Feb. '56	110.00	111.00	3.69
*4½	1 July '57	110.00	111.00	3.73
*4¾	15 June '55	113.00	114.00	3.70
5	1 Feb. '54	113.25	114.25	3.85
*5	1 July '69	113.25	114.25	▲3.38
*5	1 Oct. '69	115.00	116.00	▲3.71

Provincial Government Bonds

		Bid	Ask.	Yld.
New Brunswick:				
4	1 Sept. '54	100.00	102.00	3.84
†4½	15 Apr. '61	106.50	108.50	3.95
†5	15 Jan. '60	112.00	113.50	4.09
Nova Scotia:				
3	2 Sept. '45	96.00	98.00	3.28
4½	15 May '43	104.50	106.50	3.31
†4½	15 Sept. '52	106.50	108.00	▲3.58
†5	1 Mar. '60	112.50	114.00	4.06
Ontario:				
*4	1 June '62	102.00	104.00	3.75
*4½	1 Sept. '44	108.00	109.00	3.14
4½	1 June '50	107.00	108.00	3.74
*4½	15 Jan. '62	108.00	110.00	3.87
5	15 Oct. '48	111.25	112.25	3.68
*5	2 Dec. '60	115.00	117.00	3.90
5½	1 July '46	113.00	114.00	3.73
Ont. Hydro Comm.:				
3½	1 Apr. '47	99.50	100.25	3.47
4¼	1 Jan. '70	113.00	114.50	2.96
Prince Edward Island:				
3	1 Oct. '45	96.00	98.00	3.27
Quebec:				
4	15 Mar. '52	103.00	105.00	3.56
4¼	1 Aug. '58	106.00	108.00	3.71
4½	2 Jan. '63	108.50	110.00	3.88
Alberta:				
4	15 Dec. '54	59.00	62.00	§
†4	1 Dec. '57	60.00	63.00	§
4½	1 Oct. '51	70.00	73.00	§
†4½	1 Oct. '56	61.00	64.00	§
†5	1 Jan. '48	65.00	68.00	§
5	1 Sept. '55	64.00	66.00	§
*5	1 Oct. '59	66.00	69.00	§
†5½	1 Jan. '47	68.00	70.00	§
6	1 Mar. '47	69.50	72.00	§
British Columbia:				
†4	1 Dec. '57	91.00	93.00	4.52
*4¼	15 Jan. '51	98.50	99.50	4.55
†4½	1 Oct. '53	94.50	96.00	4.85
†5	15 Jan. '48	99.50	100.50	4.94
5	1 Sept. '53	99.25	100.25	4.98
5½	1 Feb. '45	100.50	101.25	5.30
6	15 Feb. '47	102.00	103.00	5.60
Manitoba:				
4	2 Jan. '50	84.50	85.50	5.58
†4	1 Dec. '57	84.00	85.50	5.13
†4½	15 Dec. '56	87.00	88.50	5.45
†5	15 June '54	92.00	94.00	5.54
*5	2 Dec. '59	94.50	96.00	5.30
5½	1 Oct. '55	92.00	93.50	6.09
6	1 Apr. '47	95.50	97.00	6.40
Saskatchewan:				
4	15 Aug. '53	79.50	81.00	5.80
4	1 Nov. '60	77.75	78.75	5.62
*4½	2 July '45	87.00	89.00	6.22
†4½	1 Oct. '51	89.00	91.00	5.40
†4½	15 Mar. '60	84.50	86.00	5.59
5	1 Aug. '58	87.00	88.00	6.00
†5½	15 Nov. '46	91.50	93.50	6.40
5½	1 Oct. '52	90.00	92.00	6.32
6	15 Mar. '52	94.50	95.50	6.47

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ‖Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. •Calculated to maturity, although callable prior to that date.

Winnipeg Stocks

(Transactions from Mar. 29 to Apr. 3)

	Sales	High for period	Low for period	Close Apr. 3
Cres. Cream., p.	2	35.00	35.00	35.00
Cryderman	3,000	.03	.03	.03
Can. Rand	2,000	.04½	.04	.04
B. & M. Synd.	20	4.50	4.00	4.00
Federal Grain	2,500	5.00	5.00	5.00
Flin Flon	5,750	.17	.15	.16
Globe Royalties	500	.20	.20	.20
Gt. Falls M.	300	.18	.17	.17
Gold Lake	7,000	.05	.04½	.04½
Gurney Gold	17,650	.54	.50	.50
Herb Lake	500	.19	.19	.19
Knee Lake	300	.03½	.03½	.03½
Marvel Oils	4,600	.17	.10	.16
Northern Tr.	475	6.00	6.00	6.00
Monarch Gold	600	1.50	1.50	1.50
Optic Lake	397	.90	.70	.70
Ore Grande	2,800	.09	.08½	.09
Rice Lake Syn.	15	1.00	1.00	1.00
Sachigo	45	20.00	18.50	19.00
Star Lake	11,500	.02½	.02½	.02½
Oxford Mines	100	.60	.60	.60
United Grain	26	10.50	10.00	10.00
Wpg. R. Tin	1,000	.02½	.02	.02½
Wallace Lake	3,000	.03	.02¾	.02¾
Wylie Dom.	4,500	.45	.40	.41
Wingold	7,685	.07½	.06¾	.07
West. Brew.	100	1.25	1.25	1.25
West. Steel, pf.	25	15.00	14.00	15.00

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire Insurance	..	100
Can. Indemnity	125	..
Home Invest.	20	..
Northern Can. Mtge., pf.	3	..
Northern Mtge., part pd.	..	3¼
Traders Bldg.	92	96

*Stocks more active on other exchanges not included.

Dividends Declared

	This payment	Date payable	Date of record
Ault & Wiborg, pf.	$1.37½	May 1	Apr. 20
Beatty Bros.	$1.50	May 1	Apr. 15
Brewing Corp.	37½c	Apr. 15	Mar. 31
B. C. Power, A	45c	Apr. 15	Mar. 31
Bell Telephone	$1.50	Apr. 15	Mar. 23
Bralorne Mines	10c	Apr. 15	Mar. 31
Do., extra	10c	Apr. 15	Mar. 31
Brant. Cordage, pf.	32½c	Apr. 15	Mar. 20
Brewers & Distil.	•40c	May 20	May 1
Do., bonus	•10c	May 20	May 1
Bruck Silk	10c	Apr. 15	Mar. 30
Candn. Bronze	37½c	May 1	Apr. 20
Do., pfd.	$1.25	May 1	Apr. 20
Can Iron Fd., pf.	$2.50	Apr. 30	Apr. 15
Can. Fair.-Morse	$1.50	Apr. 15	Mar. 31
Can. Indus. A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Candn. Gen'l. Inv.	12½c	Apr. 15	Mar. 31
Can. Nor. Power	30c	Apr. 26	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Celanese of Amer., part. pfd.	$3.50	June 30	June 15
Cosmos Imp., pf.	$1.25	Apr. 15	Mar. 31
Consol. Press	25c	May 1	Apr. 5
Dome Mines	50c	Apr. 20	Mar. 31
Do., extra	$2	July 20	June 30
Dom. Textile, pref.	$1.75	Apr. 15	Mar. 31
Goulds Pumps, pf.	$2	Apr. 15	Apr. 1
Gt. Lakes Pw., pf.	$1.75	Apr. 15	Mar. 31
Highland Dairy, pf.	$1.75	Apr. 2	Mar. 24
Hollinger Cons.	†5c	Apr. 22	Apr. 8
Do., extra	5c	Apr. 22	Apr. 8
Inter. Nickel, pfd.	$1.75	May 1	Apr. 1
Imperial Bank	$2.50	May 1	Mar. 31
Inter. Milling, pf.	$1.25	Apr. 15	Apr. 3
Inv. Found. p.	50c+75c*	Apr. 15	Mar. 31
McColl-Front., pfd.	$1.50	Apr. 15	Mar. 31
McKinley Min. Sec.	2½c	June 1	May 15
Montreal L. H. & P.	37c	Apr. 30	Mar. 31
Montreal Tel.	80c	Apr. 15	Mar. 31
Montreal Tram.	$2.25	Apr. 15	Apr. 5
Nat. Biscuit, com.	40c	Apr. 15	Mar. 12
Orange Crush, pf.	35c	May 1	Apr. 15
Power Corp., pfd.	$1.50	Apr. 15	Mar. 31
Do., 2nd pfd.	75c	Apr. 15	Mar. 31
Premier Gold	3c	Apr. 15	Mar. 12
Do., extra	1c	Apr. 15	Mar. 12
South. Can. Pwr., c.	20c	May 15	Apr. 30
San Antonio	7c	Apr. 20	Apr. 1
Sheep Creek	2c	Apr. 15	Mar. 31
Smith, H., Pap., pf.	$1.50	Apr. 15	Mar. 31
South. Can. Pwr., p.	$1.50	Apr. 15	Mar. 20
Saguenay Pwr., p.	$1.37½	May 1	Apr. 15
So. Am. Gold	10c	Apr. 23	Apr. 18
Steel Co. of Can., c.	43¾c	May 1	Apr. 7
Do., pf.	43¾c	May 1	Apr. 7
Tuckett Tobacco, p.	$1.75	Apr. 15	Mar. 31
United Distillers	10c	Apr. 15	Mar. 31
United Sec.	50c	Apr. 15	Mar. 26
West. Grocers	60c	Apr. 15	Mar. 20
Do., pref.	$1.75	Apr. 15	Mar. 20

†Payable every four weeks, 13 payments per year. Subject to ratification at meeting. •Apr. 29, 1937. ‡Mar. 19, 1937.

Week in Wheat

Sales Gain Momentum As Differential Narrows

Foreign Wheat Prices Gaining on Canadian — Hand-to-Mouth Buying Seen During U. S. Crop Uncertainty

From Our Own Correspondent

WINNIPEG.—The wheat market is now fluctuating at a level just three times that which prevailed only a little more than four years ago. It is well over twice the average price since 1930.

Strength at Winnipeg continues to be a reflection of price advances which have taken place on European and Argentine markets. Winnipeg gained a comparatively high level earlier but recently its lead has been materially reduced. Although Canadian wheat still remains the most expensive in the world, differentials as compared with other wheats have been narrowed. Consequently, although actual exports of Canadian wheat remain small, purchases for future export have been increasing.

The free buying of the period just prior to the recent Argentine crop, however, is not expected to be repeated nor could it be repeated with the small reserves of Canadian wheat now in store. The world is watching the growing United States winter wheat crop and any improvement there is immediately followed by a slowing off in demand. This hand-to-mouth policy is expected to continue until the American crop has passed its present critical stage some time next month.

Sources of Strength

Argentina has provided a good deal of the impetus for the advance of the last month. With the greater part of her export surplus shipped, and a keen demand existing for all Argentine wheat afloat unsold, that country believes that higher prices can be obtained for the remainder of the crop, and has marked its prices sharply upward.

But the principal influence for strength is the keen demand for imported wheat over nearly all Continental Europe, with Italy in the lead so far as actual quantities are concerned. Recent purchases by war-torn Spain, although not great in actual quantity, have added a new, bullish force to the market.

The United Kingdom is absorbing about five million bushels of imports weekly, while the Continent is currently taking it at the rate of more than a million bushels a day. The great quantities of Argentine wheat now afloat on the way to Europe furnish necessary supplies, and will continue to do so for some weeks yet. But before the end of May it seems inevitable that heavy demands will be made upon Canadian supplies. That is unless there is a diminution in the current rate of use of wheat by importing countries, which no one seems to expect.

* * *

Seek New U. S. Wheat

The interval, however, during which Canada can hold a dominating place in the world market may be short. The United States expects to have a lot of hard wheat for export, and preparations are now under way for extensive shipments of the first of the new crop of winter wheat through Gulf ports. A number of contracts for such wheat have already been made, at prices considerably lower than the prevailing basis for Winnipeg wheat.

The prospect for a U. S. export surplus in the coming season is limiting the purchases of Canadian wheat by U.S. mills. Some quantities continue to be absorbed every week, but mostly of wheat purchased some time ago. New purchases are very limited, and the total absorption of Canadian wheat by United States mills this year in consequence will be smaller than was expected earlier in the season.

* * *

Jockeying on Lake Freights

Although the pit trade at Winnipeg has been getting broader, indicating both purchases for export in distant months, and a good deal of spreading between different markets and different positions, cash wheat demand until this week has been small.

There seems to be no rush for supplies for the opening of navigation, due to the fact that reserves in the East are still heavy as compared with quantities available at the head of the lakes.

In addition the promise of an early opening of navigation tends to relieve any anxiety. Forwarders are reluctant to contract for lake space, feeling that the scarcity of wheat to be moved will mean low freight rates. Vessel men, however, are hoping that the intense activity in the iron ore trade, which will keep occupied every available United States vessel, may mean alternative cargoes which may help to sustain rates for Canadian business.

Bank Debits Drop With Grain Lull

While bank debits showed a considerable decline in February from the previous year, this does not indicate any general cessation of business in Canada but simply reflects the lull in grain activity at Winnipeg while the big Argentine crop was being marketed. In other centres of Canada bank debits were higher following greater business volume.

Official figures continue to emphasize the gradual improvement in Canadian railway revenue, C. P. R. net showing an advance and carloadings up over a year ago.

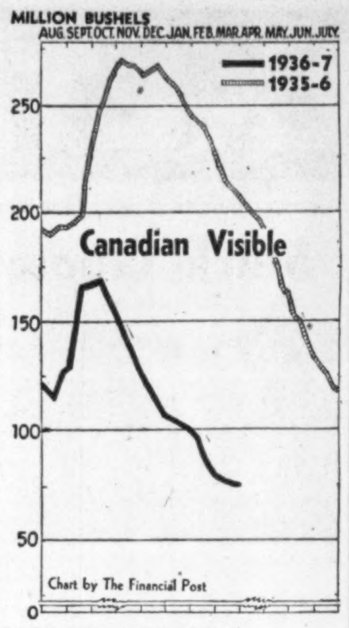
		—Change— From prev. period %	From prev. year %
Monthly:			
Bank debits	*$2,731,934	—15	—1
C. P. R. net earn.	$990,739	+8	+14
Coal imports, tons	486,528	—15	—10
Plank & bd. exp., M. bd. ft.	120,856	—22	+26
Weekly:			
Car loadings, No.	45,567	—6	+3

*000's omitted.

Retirement of H. Rooke Announced By Page-Hersey

C. L. Dunbar, president of Page-Hersey Tubes Ltd., announces that Harry Rooke, who had been connected with the company since 1906, retired March 31, 1937.

Mr. Rooke was secretary-treasurer of the company for many years and more recently was a vice-president and director.



MOVING AGAIN

After weeks of inactivity during the marketing of the Argentine current crop Canadian wheat is again moving into export channels. Last week Canadian visible declined almost 1.5 million bushels and as world demand strengthens during the lull between the recent Argentine crop and the first United States new wheat next June, considerable quantities of Canadian reserves are expected to be liquidated.

Details in bushels are as follows:

Week of March 26	Week Previous	Last Year
82,366,000	83,781,000	204,084,000

Export Clearances*

Week of March 26	Week Previous	Last Year
1,765,732	1,475,873	3,181,705

*Plus U. S. imports.

Dominion Grants Seed Grain Loans

Will Extend Guarantee to Manitoba and Alberta

Legislation at present before the House of Commons provides for guarantee by the Dominion Government of seed grain loans to farmers in Alberta and Manitoba as well as in Saskatchewan. In the past, guarantees have been limited to Saskatchewan.

The bill authorizes the guarantee of seed grain loans to a maximum of $1.6 millions in Alberta, $6.6 millions in Saskatchewan and $750,000 in Manitoba. As in the past, the loans will be made to municipalities for purchase of seed grain for farmers who failed to harvest a crop and will be guaranteed by both the provincial and federal governments. The rate of interest will be 4%. No claim can be made under the guarantee for three years after the date of the loan.

Seed grain loans in Saskatchewan last year totalled $4 millions, but repayments have reduced the liability to $2.5 millions. Actually, however, no guarantee on 1936 loans has yet been given by the Federal Government as the Saskatchewan Government has not furnished all the information required.

Extension of Federal Government guarantee to seed grain loans in Alberta saves the Aberhart Government from a rather difficult position. Banks and mortgage companies had refused to make any advances unless present debt legislation was removed from the statute books of the province. The Government, on the other hand, did not have the necessary funds to make the loans itself. In view of this, failure of Premier William Aberhart to make arrangements with Ottawa for a guarantee would probably have resulted in the defeat of the Government.

No Cause for Protest Seen In Canada's Wheat Publicity

Further indication of opposition from English millers to any activity in England by the Canadian Wheat Board is seen in protests which have met the latter's recent advertising campaign.

A study of the advertisements themselves fails to show any ground for objection and appears to strengthen the opinion of C. F. G. Raikes, European manager of the Northwestern Miller that English millers do not like the idea of an active Canadian board.

The advertising series prepared for the English popular press has featured prominently the following paragraph:

"England is today enjoying better bread than it has tasted in recent years. Why? Because this bread contains so much Canadian hard wheat and is baked in England by expert English bakers."

Incidentally this note was eliminated from Scottish and North Ireland advertising, the paragraph being replaced by an innocuous sentence to the effect that there were a large number of Scottish or Irish, depending upon the country appealed to, wheat growers in Canada.

The campaign, carried on in Britain by R. V. Biddulph, sent to Britain some months ago by the Wheat Board as European commissioner, has been aimed at encouraging use of large quantities of Canadian wheat but has had nothing to do with actual sales. Bakers have been informed of progress made and urged to ask millers for flour with a high content of Canadian wheat. This has been interpreted by English millers as unjustified interference.

Edmonton City Dairy Pays 5% on Preferred

Payment of a dividend of $1.25 a share on the 6½% preferred stock of Edmonton City Dairy Ltd., on April 1, leaves the shares 75 cents in arrears of dividends.

Regular quarterly payments of $1.62½ each were paid in 1936, but the payment due Jan. 2, 1937, was made at the $1.25 rate.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 291
EXTRA DIVIDEND NUMBER 35

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 22nd day of April, 1937, to shareholders of record at the close of business on the 8th day of April, 1937.

Dated the 1st day of April, 1937.

I. McIVOR,
Assistant-Treasurer.

Canadian Bronze Company Limited

DIVIDEND NOTICE.

THE quarterly dividend of 1¼% on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared the 1st day of May, 1937, to Stockholders of record as of the 20th day of April, 1937.

Also a quarterly dividend of Thirty-Seven and One-Half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending April 30th, 1937. Payable the 1st day of May, 1937, to Stockholders of record as of the 20th day of April, 1937.

By Order of the Board,
W. C. PAQUETTE,
Secretary.

Montreal, P.Q.,
March 31st, 1937.

DIVIDEND NOTICES

Hydro-Electric Securities Corporation

(Incorporated under the laws of the province of Quebec, Canada)

Notice is hereby given that the board of directors of HYDRO-ELECTRIC SECURITIES CORPORATION has declared dividend No. 12 of twenty cents (20c) per share on the corporation's issued common shares of no par value, payable on the 10th May, 1937, to shareholders of record on the 20th April, 1937.

Dated at Montreal, Canada, 3rd April, 1937.

A. H. LANG,
Secretary.

DIVIDEND NOTICES

George Weston Limited

Preferred Dividend No. 5

Notice is hereby given that a dividend being at the rate of 5% per annum has been declared on the Preference stock of this Company, payable on the 1st May, 1937, to shareholders of record at the close of business on the 20th day of April, 1937.

R. A. ROBERTSON,
Secretary.

Toronto, April 6th, 1937.

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Exporters Ask More Freedom Mixing Wheat

Would Allow Greater Flexibility in Filling Export Orders

INQUIRY RESUMED

From Our Own Correspondent

VANCOUVER.—More freedom in mixing wheat grades was asked before the Turgeon Grain Enquiry which resumed sessions here this week. Both exporters and terminal men were in favor of allowing mixing, in order that grain might be offered to buyers abroad in the grades most in demand. They thought, not only that the degree of mixing now allowed, in grades of wheat No. 4 and lower, should be continued, but also that the prohibition of mixing in higher grades should be relaxed.

As a step toward increasing exports Robert McKee advocated the appointment of a permanent commissioner, to be stationed in England, responsible to the Government, but not to be part of any government department.

Consignment Selling

It seemed to be a matter of considerable surprise to the Commission to learn that a large part of the grain exported from Vancouver to Europe has to be put afloat unsold, with exporters taking a chance on favorable sales while the grain is en route through the Panama. The necessity of keeping such grain hedged in the Winnipeg market was emphasized

Loss of much of Canada's former export trade to the Orient, where during recent years the country has been undersold by Australia and Argentina, came under review.

Criticize Interference

One surprise of the Vancouver sittings was the appearance of some retired prairie wheat growers, who objected both to pool selling and to Government interference in the wheat export trade.

Vancouver is a good point of observation for both the internal and the external branches of the grain trade. Terminal elevators here are as much a part of the internal elevator system of western Canada as are the country elevators or the terminals at the head of the lakes.

Sessions have been informative, rather than controversial, and have mainly been an exposition of the actual trade machinery.

Cariboo Gold 1936 Output Sets New High

Ore Reserves Estimated at 209,636 Tons Grading 0.416 Ozs.

INCREASE MILL

From Our Own Correspondent

VANCOUVER. — Cariboo Gold Quartz Mining Co. set a new high mark last year with production valued at $700,282, according to figures announced recently by R. R. Rose, managing director. For the previous year values totalled $615,275. In 1934 the total was $447,850, and in 1933, the first full year of operation after Fred Wells completed his tunnel into Cow Mountain and the property came into production, $234,942.

A total of 53,672 tons of ore was mined last year, and 53,278 tons was put through the mill, with a recovery of over 95%.

Development consisted of 135 ft. of sinking, 3,567 ft. of crosscutting, 4,050 ft. of drifting and 630 ft. of raising. More than 110,000 ft. of ore was developed, equal to 13.2 tons per foot of development, compared with 9.7 tons per foot during 1935.

Mr. Rose estimates ore reserves on Jan. 31 at 209,636 tons averaging .416 ounce of gold per ton. The net increase during the year was 57,048 tons.

Preparations are being made underground to increase the production to 225 tons daily, and this will probably be effected immediately. Rich ore on the 1,600- and 1,700-ft. levels in the Rainbow fault zone first reported three months ago has been further developed with good results, according to the management.

Quebec Budget Shows Deficit $31 Millions

Outlay on Ordinary Account Shows Better Balance for Past Period

"NOT CURTAILING"

From Our Own Correspondent

MONTREAL.—Quebec reports a marked decline in the deficit on ordinary account for the eight months ended March 1, 1937, while for the current fiscal year ending June 30 next, the provincial treasurer, Hon. Martin B. Fisher, forecasts a considerable surplus on ordinary account. However, for 1937-38 there is an estimated deficit of over $31 millions.

During the eight months ended March 1, 1937, ordinary receipts totalled $26.7 millions, as against disbursements of $27.9 millions, a deficit of $1.2 million. For the same period of the previous year disbursements exceeded receipts on ordinary accounts by $6.8 millions.

The provincial treasurer estimates for 1937-1938 an ordinary revenue of $46.8 millions or $38,040 more than is estimated for expenditures.

Extra Expenses Heavy

Besides ordinary expenditure, however, the House will be asked to vote extraordinary expenditures to cover: direct relief and public charities, about $15 millions; roads and colonization on capital account $16.4 millions. Total contemplated expenditure amounts to $78.2 millions, as against total estimated revenue of $48.8 millions, making for a deficit of nearly $31.4 millions, including expenditures on capital account.

No Time to Curtail

In commenting upon the estimated deficit and the increased expenditures, the Provincial Treasurer said in part:

"We do not consider that this is the proper time to curtail necessary and urgent expenditures, when improvements and important reforms are so essential to the well-being of our population. Our estimates show a large increase in anticipated revenue with a similar increase in expenditure, believing by this increased expenditure we will hasten the return of better times.

"The basic industry of agriculture has been allotted $1,317,000 additional over last year's appropriations, besides it will require $500,000 to meet the interest on and administration of the rural credit act which is applicable to ordinary expenditure.

"Colonization has been allotted an additional amount of $1,626,000 over last year's appropriations. The Departments of Health, Education, Roads, Municipal Affairs, Trade and Commerce also received additional credits.

"To the Department of the Provincial Treasurer $11,012,068 is appropriated to service the public debt

"Old age pensions will take $2,500,000 and is chargeable to ordinary expenditure.

May Spend Less

"While we are asking this House to vote $12,978,000 for direct relief, we conscientiously believe that by the measures being instituted by his Government to check the abuses so prevalent in the distribution of direct relief a considerable saving will occur and, therefore, the amount requested will not be entirely spent.

"Fifteen million dollars will be spent as a commencement in transforming our dust-laden, crowded and narrow roads into dustless highways, making a motorist's paradise. This programme of road building will absorb thousands of our unemployed, with a consequent lowering of direct relief responsibilities.

"The same applies to colonization. Nearly $10 millions will be used to re-establish on the land persons presently receiving direct relief and other aid from the Government."

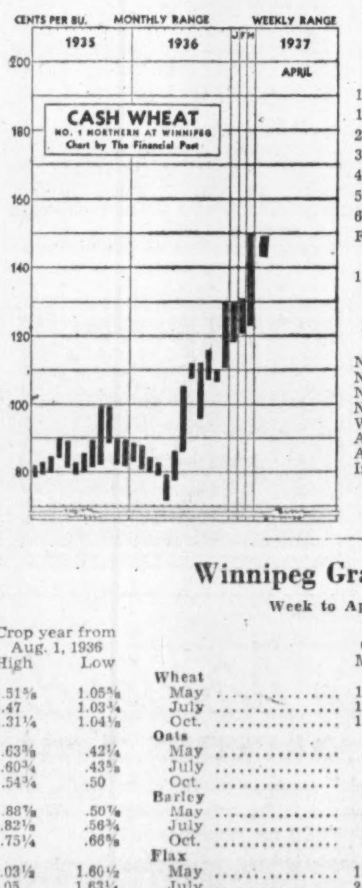
Montreal Cottons Ltd. Increases Its Payroll

From Our Own Correspondent

MONTREAL.—Montreal Cottons Ltd. payroll for the past week reached $75,000, employees of the plant receiving 25% more in wages than in the previous week.

Officials of the company state that the increase was given owing to the improvement in business and because there will be enough steady work for the employees for another year.

Wheat Prices



(Cash Quotations)

	For Week Apr. 6 High	Low	Prev. Week High	Low
1 Man. Hard	1.50¼	1.45¾	1.49⅞	1.44
1 Northern	1.49¾	1.45	1.49⅛	1.43¼
2 Northern	1.48	1.43½	1.47⅝	1.41¾
3 Northern	1.45	1.40½	1.44⅝	1.38¼
4 Northern	1.41	1.36½	1.40⅝	1.34¾
5 Wheat	1.32½	1.28½	1.32⅝	1.29¾
6 Wheat	1.26⅛	1.22½	1.29⅛	1.26¾
Feed Wheat	1.21¼	.95½	1.10⅛	1.07¾
Vancouver: Week to Apr. 5:				
1 Northern	1.49	1.44	1.46⅝	1.42¼

Competitive Export Prices:

Mar. & May Shipments—Week to Apr. 3

	High.	Low
No. 1 North. (afloat)	1.73⅞	1.69⅝
No. 1 North. (Atlan.)	1.68½	1.65
No. 2 North. (Vanc.)	unquoted	
No. 2 North. (Atlan.)	1.67¾	1.65¾
West Australian (afloat)	1.52	1.50½
Australian	1.49½	1.48⅛
Argentine Rosafe‡	1.54	1.46⅝
Indian (new crop)†	1.47⅛	1.43⅝

†May-June shipment.
‡June.

Winnipeg Grain Futures

Week to Apr. 6, 1937

Crop year from Aug. 1, 1936 High	Low		Open Mar. 31	High for week	Low for week	Close Apr. 6
		Wheat				
1.51⅝	1.05⅝	May	1.48	1.51⅝	1.43¾	1.48½
1.47	1.03¾	July	1.44⅜	1.47	1.39½	1.43¾
1.31¼	1.04⅛	Oct.	1.29½	1.30½	1.25	1.27⅜
		Oats				
.63⅜	.42¼	May	.58⅞	.63⅜	.58⅛	.61⅝
.60¾	.43⅝	July	.56¼	.60¾	.55⅝	.59⅛
.54¾	.50	Oct.	.51¼	.54¾	.50½	.53½
		Barley				
.88⅞	.50⅞	May	.86	.87½	.83	.84¼
.82⅛	.56¾	July	.80¼	.82⅛	.77¾	.79⅝
.75¼	.66⅝	Oct.	.75	.75¼	.72	.72
		Flax				
2.03½	1.60½	May	1.98¾	2.00¼	1.88½	1.94⅝
2.05	1.63¼	July	2.00	2.00½	1.89	1.95½
2.01	1.74½	Oct.	1.95¾	1.97⅛	1.89¾	1.91
		Rye				
1.21¼	.62⅝	May	1.17⅞	1.21¼	1.13⅞	1.18½
1.19	.78¼	July	1.14⅞	1.19	1.11⅝	1.16¼
1.04½	.83⅝	Oct.	1.02¾	1.04½	.98¾	1.01⅛

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Life Insurance

Non-Par Policy Sales Reflect Higher Rates

New 1936 Business Declines 15% from 1935 Volume — Deferred Annuity Business Also Down for Year

Sales of non-participating policies by Canadian life insurance companies dipped sharply last year. The decline of some 15% is attributed by company officials largely to an increase in the rates charged for this type of policy by some of the leading companies. Most insurers have jacked up non-par rates within the last two years. Last year also saw a substantial cut in deferred annuity business by some companies, all of which is written on a non-par basis.

26% of Total

Figures received from 16 leading companies by The Financial Post on distribution of their 1936 sales as between participating and non-participating business shows only slightly more than 26% of total ordinary life business to have been written on a non-par basis last year. This compares with almost 31% in the previous year and marks the first substantial decline since the rapid growth of the early 1930's. It will be recalled that the percentage of non-par business to the total rose from 10% to over 30% within a few years. Restricted earning power during depression years furnished an obvious argument for purchase of non-par policies as against those which participated in the companies' profits. It was to counteract this trend that rates were increased.

New Sales $115.5 Millions

For the 16 companies whose figures are available total non-par business placed during 1936 was $115.5 millions compared with $135.1 millions in the previous year. This was in the face of an increase in the total volume of business from $436.3 millions to almost $443 millions. Consequently the proportion which non-par represents of all business fell from 30.97% in 1935 to 26.07% last year.

Of the 16 companies, only two reports higher non-par volume than a year ago. The Crown Life is up $2.5 millions at just under $18 millions, and the London is about $2 millions higher at $17.2 millions. Decreases in the other companies were very substantial, Confederation and Manufacturers reporting the largest actual reductions.

The figures do not include companies such as Metropolitan Life, Travelers and Aetna which write nothing but non-par business, nor do they include the Great-West and Sun Life, both of which have issued a very heavy volume of non-par business in recent years, but for which no definite figures are available. A year ago the Great-West was reported to have as much as 70% of its total ordinary sales on a non-par basis, while the Sun non-par sales were said to range as high as 40 or 50%.

Comparative Figures

Comparative figures for the companies on which information is available, are as follows:

Non-Participating Ordinary Insurance Sales
(Issued Basis)

	Non-Par. Sales		Total Sales		Ratio	
	1936	1935	1936	1935	1936	1935
	$	$	$	$	%	%
Canada	4,048,933	4,188,831	46,328,000	43,699,000	8.74	9.59
Confederation	17,527,910	24,879,044	44,129,419	44,617,898	39.72	55.76
Continental	2,696,183	3,311,362	5,830,079	6,460,973	46.25	51.25
Dominion	7,021,236	9,001,617	22,001,668	18,512,394	31.91	48.62
Crown	17,969,711	15,459,863	31,464,000	29,591,000	57.11	52.25
Excelsior	9,791,035	10,002,439	17,949,931	16,199,000	54.55	61.75
Imperial	1,728,746	2,316,183	20,411,704	23,306,000	8.81	9.94
London	17,191,198	15,187,831	95,442,340	86,896,199	18.01	17.48
Manufacturers	17,871,925	24,149,962	56,449,328	62,737,804	31.66	38.49
Mutual of Canada	2,476,656	2,682,672	43,313,031	42,274,624	5.72	6.35
Monarch	3,187,754	3,373,410	7,974,354	7,980,695	39.87	42.27
North American	6,092,930	8,128,438	31,029,000	31,493,000	19.63	....
Northern	1,984,890	2,019,000	5,930,637	5,594,336	33.47	36.10
National	3,343,163	5,443,583	7,344,454	7,710,345	45.52	70.60
Saskatchewan	164,857	349,000	2,001,239	2,241,444	8.23	15.57
Sovereign	2,332,591	4,627,232	5,384,666	7,033,832	43.32	65.79
Total	115,499,718	135,130,467	442,983,400	436,348,639	26.07	30.97

New Life Policies Up $28 Millions

New life insurance policies effected in 1936 amounted to $616.5 millions, according to preliminary figures released by G. D. Finlayson, Federal superintendent of insurance. This total comprises $435.7 millions of ordinary business, $156.1 millions of industrial and $24.7 millions of group. The corresponding figure for 1935 was $588.4 millions. The number of new policies issued during the year jumped from 777,294 in 1935 to 798,951.

At the end of the year there were over 6.4 million policies in force in the Dominion, representing insurance of $6.4 billions. The figures indicate increases of 61,850 policies and $148.3 millions from the previous year. Net claims paid during the year, including death and disability payments and matured endowments, totalled $60.4 millions, up $3.6 millions, while payments to annuitants rose $260,-000 to just over $2 millions.

Western Empire Boosts New Business 33%

New issued business of Western Empire Life Assurance Co. in the first quarter of 1937 was 33.1% greater than in the corresponding period of 1936. New premiums in the three months period were up 52.3% from a year ago, while terminations were 17.6% less.

The company states that even greater progress is expected during the second quarter of this year.

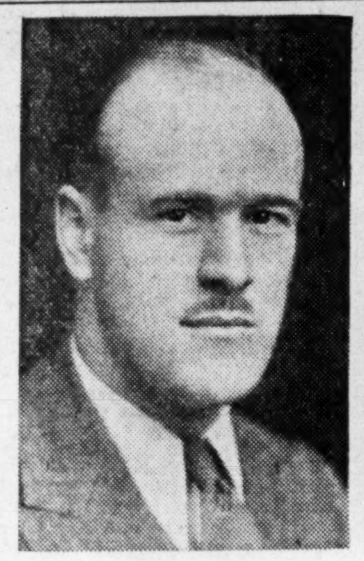
Montreal Stock Trading Leans to Industrial Issues

From Our Own Correspondent

MONTREAL.—Turnover in industrial shares on the Montreal Stock Exchange and the Montreal Curb Market during March totalled 2.2 million shares, an increase of 616,-953 over the previous month and 869,961 shares over March, 1936.

Volume of mining transactions on the other hand, dropped to 5.7 million shares, compared with 9.1 million shares in February.

Total share turnover of industrial and mines on the two exchanges last month aggregated over 7.9 million shares. This contrasts with 10.7 million shares in February, a drop of 2.7 million shares.



NEW EXECUTIVES

Appointment of Frank E. Wright (left) as sales manager for the Canadian division has been announced by The National Cash Register Co. of Canada. Mr. Wright was formerly sales manager at Winnipeg. His headquarters will now be Toronto. A. Cameron (right) has been appointed factory manager. Mr. Cameron has been with the company for 29 years.

Would-be Song Writers Have Hopes of Success Raised for 40 Dollars

Advance Fee Racketeers Find Lucrative Field in Canada

In past years, a crop of literally millions of dollars has been reaped by racketeers cultivating countless variations of what is briefly termed the "advance fee racket."

For some reason Toronto has been the centre of the most brazen and lucrative of such rackets, preying on thousands of hopeful people all over Canada and the United States. Periodically, police and postal authorities have acted to put such enterprises out of business, but it is usually difficult if not impossible to assemble the definite complaints and evidence upon which to base such action. So the rackets persist, the promoters knowing full well that even if they are put out of business eventually, they will be able to reap a rich harvest before being curbed.

Music Publishing

The current flowering of this type of operation purports to be a music publishing and marketing organization, levying a toll of $40-$45 for supposedly converting song poems sent in by victims into completed songs for publication. Hundreds of complaints and enquiries from all over Canada and the United States have inundated Better Business Bureaus and other trade organizations in Canadian cities, and the Toronto Better Business Bureau, after close investigation, has drawn the enterprise to the attention of postal and police authorities.

Advertising in country weeklies and cheap magazines, the firm induces people to send in words of potential song hits. Tests made by investigators have shown that no matter how crude or hopeless the submitted song-poems may be, the authors invariably received a series of enthusiastically worded letters declaring the lyrics to be of exceptional promise and the foundations of future song hits.

Imposing Letterhead

On the envelopes and letterheads of the firm appears a reproduction of a large building, presumably occupied by its offices and plant. Enquiry indicates that no such building exists, certainly not at the address of the firm, and that not more than one or two rooms in a cheap district are used by the enterprise.

The series of high pressure appeals undertake, either directly, or by implication, to give the words a modern musical setting in complete manuscript, "finance the publication of a professional artist edition, for distribution to professional singers and musical directors of the radio, stage and screen"; register the song with the U. S. copyright bureau, provide the lyric author with 75 free copies of the song, and "promote the success of the song."

As far as can be determined, all that is done for the $40 or $45 received is to send to the victim mimeographed copies of the embryo song hit, with music of uncertain origin surrounding the words.

Legitimate Service

Just how badly most, if not all, of the racket's victims are rooked, may be gauged from the fact that a reputable firm provides for $1 virtually the same service as the racket enterprise purports to give for $40. The legitimate firm does not build up the hopes of untalented customers indiscriminately, however, and advises, criticizes or suggests where lyrics submitted are hopeless. Where a lyric shows some real promise, a musical setting is written and attempts made to market it, but without further charge, any return to the firm being on a percentage basis.

Other variations of the "advance fee racket," some of which have been suppressed but some of which still flourish at intervals, include show card instruction racket, authors' bureau racket, picture tinting and greeting card racket, and the leather work racket. The promoter of the current music publishing enterprise is suspected of having been connected with a show card instruction racket which was spectacularly suppressed a few years ago.

Canadian Bronze Co. Raise Quarterly Dividend

From Our Own Correspondent

MONTREAL.—Directors of Canadian Bronze Co. have declared a quarterly dividend of 37½ cents a share on the common stock for the quarter ended April 30. This represents an increase in the annual rate from $1 to $1.50 a share. On the other hand, however, it would be noted that 75 cents extra was paid on Feb. 1, 1937, and 50 cents per share extra on Feb. 1, 1936.

Cons. Press Dividend

Consolidated Press Ltd. has declared a dividend of 25 cents a share on the class "A" common stock, payable May 1 to shareholders of record March 31. The payment is for the three months ended March 31, 1937, and is the first dividend since October, 1931.

Hinde & Dauch Volume Rises

Demand for Paperboard and Boxes Outrunning Supply

L. F. Winchell, vice-president and general manager of Hinde & Dauch Paper Co. of Canada, states that "no one doubts that demand for paperboard and boxes in 1937 will exceed the demand of any other year in the history of these industries."

In his letter to shareholders accompanying April 1 dividend cheque, Mr. Winchell comments that the year 1937 has started off "very auspiciously" for the company.

Demand for the first quarter, he says, has really exceeded the supply. He attributes some business to anticipation of rising prices for boxes and paperboard, following the advance of all raw materials. But he feels that commitments of this kind do not account for increased demand already recorded.

Plant Improvements

Improvements to the company's paper mill facilities have been delayed because of slow deliveries, Mr. Winchell states. He expects, however, that completion of installations will now be possible within a reasonable time.

The company had earnings equivalent to $1.32 a share on the common stock in 1936, compared with $1.18 a share in 1935 and 80 cents a share in 1934. Dividends of $1 annually are being continued.

Maritime 'Phone Records Increase in Services

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. reports 105,624 completed long distance telephone calls during February, an increase of 7,259 calls over the same month last year. Cumulative calls for the first two months of the current year are not far behind the peak year of 1930.

Number of stations in operation on the company's system at the end of February totalled 39,517, a net gain of 30 over the previous month. The Island Telephone Co., a subsidiary, reports 4,177 stations in operation, a net gain of 14 over the number reported at the end of January.

Hydro Securities Declares Dividend

From Our Own Correspondent

MONTREAL. — Hydro-Electric Securities has declared a dividend of 20 cents a share on its common stock, payable on May 10 to shareholders of record April 20. As there are nearly 1.5 million shares outstanding, $295,278 will be distributed, on May 10. This is the first disbursement on the shares since March 31, 1932, when a payment of 10 cents was made.

IT'S THE TOBACCO THAT COUNTS—

IN PLAYER'S YOU GET *Vintage* TOBACCO

Tariff is Reduced on Automobile Parts

Recent announced tariff reductions by the Dominion Government on a wide range of automotive parts are expected to result in a slight reduction in costs of motor car, bus and truck manufacture in Canada. Rising prices of such parts, however, will largely offset these reductions.

The Dominion Government has practically accepted in full recommendations made by Canadian automotive manufacturers to the tariff board. The reductions are reported to be of most advantage to manufacturers of buses or small manufacturers of trucks.

Orange Crush Declares 35-cent Dividend

Orange Crush Ltd. has declared the initial dividend on its preference stock. This payment of 35 cents a share will be made May 1 to shareholders of record April 15, and covers the six months' period ending April 30, 1937.

Dividends on the new preference stock, which was given in the 1936 reorganization, became cumulative from Nov. 1, 1936, at the rate of 70 cents a year. The company's sales have shown an improvement of 31% for the five months ended Mar. 31, 1937, as compared with the corresponding period of 1936.

Fire And Casualty

Fire Losses Show Decline

Ontario Total Drops $327,-629 in First Quarter of 1937

Ontario fire loss continues to show marked improvement.

In the first three months of 1937, property loss amounted to $2,250,122, a decrease of $327,629 from previous year, according to a report issued by Provincial Fire Marshal W. J. Scott. Loss covered by insurance showed even greater reduction, the total of $1.8 million being more than $500,-000 below the 1935 figure. This increase in loss not covered by insurance suggests that insurable values are increasing with improved conditions more rapidly than the amount of insurance in force.

Dwelling Loss Low

Most of the improvement has been registered in dwellings and factories, reflecting, according to the fire marshal, a province-wide campaign against common hazards and the improper use and handling of gasoline. The drop in dwellings loss was over 28%. Improvement in factory fire experience was even more substantial, the 1937 figure being considerably less than half the loss suffered in the first quarter of last year, despite increased industrial activity.

Comparative figures on leading classes of risks for the first quarter of the year are as follows:

Ontario Fire Loss
(January to March)

	1937		1936	
	No.	Loss	No.	Loss
		$		$
Barns	51	100,168	33	49,377
Dwellings	2,942	530,566	3,293	738,521
Stores	251	779,566	342	633,015
Factories	93	202,766	112	467,674

Revised figures for the year 1936 show 14,782 fires during the year compared with 14,635 in the previous year. Property loss, at slightly less than $7.9 millions, is about $300,-000 under the 1935 figure, although insurance loss at $6.8 millions shows improvement of only $66,000.

The Wawanesa Mutual Insurance Company
Canada's Largest Fire Mutual

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Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp and address label from The Financial Post should be enclosed.

United Provinces

As an insurance agent, I would appreciate any information available on the history and financial set-up of United Provinces Insurance Co. I would particularly welcome anything on the background of its officers.

United Provinces Insurance Co., of Montreal, was incorporated in 1927 and began business early the following year. The company, which operates under a Quebec charter, has authorized capital stock of $500,-000 of which $351,900 has been subscribed but only $50,000 paid in cash.

At the end of 1935, which is the date of the latest available statement, total admitted assets of the company amounted to $147,339. Of this total, $129,351 represents the book value of bonds, debentures, and debenture stocks. Apart from capital stock, liabilities total $81,804. Surplus in profit and loss account is carried in the company's statement at $15,535.

Net premiums written by the company during 1935 amounted to $95,-082 and net losses and claims incurred to $53,075. After all expenses, there was an underwriting loss for the year of $17,703. Net loss for the year was $9,425.

Officers of the company are C. F. Dale, president; P. M. Peacock, vice-president and managing director; and F. H. Pyper, secretary-treasurer. Mr. Dale was formerly associated with the Ocean Accident & Guarantee Corp., the Canada Accident Insurance Co., and was vice-president and managing director of the North American Accident Co. until 1921. Mr. Peacock began his insurance career with the Western Assurance Co. at Toronto in 1900. Since then he has been with the Commercial Union, the Canada Accident and until shortly before the formation of the United Provinces was general manager of the North American Accident. Mr. Pyper entered the employ of the Ocean Accident in 1907 and has also been with the Dominion Gresham Guarantee, the North American Accident, and the Royal Exchange, for whom he was casualty manager.

New Brunswick Considers Mutual Fire Companies

Organization of mutual fire insurance companies in New Brunswick will be possible under a bill before the provincial legislature. Observers believe the bill is in anticipation of the farm mutual insurance movement spreading into the province from Nova Scotia and Prince Edward Island.

It provides that on the approval by the superintendent of insurance of New Brunswick of an application made by at least five persons owning or having an insurable interest in property in the province, subscription books for the purpose of obtaining subscribers to the proposed organization will be issued. After 50 or more subscribers have applied for not less than $100,000 of insurance, an organization meeting can be called to consider advisability of applying for incorporation.

Quebec Asbestos

A sharp rise is reported in the production of asbestos in Quebec Province during January, as compared with the previous January.

New Brunswick Has Fewer Fires

Loss from Dwelling Fires Much Lower in 1936

A decrease of $173,000 in fire loss during 1936 is reported by the New Brunswick fire marshal. The 935 fires reported in 1936 involved a total property loss of $885,644, with uninsured loss accounting for 32% of the total.

Of the 935 fires, 368 were "scorch" claims of less than $25 loss, and 699 involved a property loss of less than $100. Ninety-five, costing more than $20,000 each, contributed $350,183 to the total loss figure. Loss on dwellings amounted to $356,056, a decrease of $234,875 over 1935, and 42% of the total. Mercantile stores, saw mills and manufacturing concerns show a loss of $361,443 as against $364,073 in the previous year.

In commenting on the year's experience, H. H. McLellan, provincial fire marshal, pointed out that the average insurance loss for the last three years has been $607,715, while the average for the previous three years was $1,438,394. A similar comparison for the property loss shows the average for the last three years to have been $922,624, compared with $2,639,451 in a previous three-year period.

Per capita fire loss last year was $2.16, a decrease of about 50 cents from the previous year's figures.

Manitoba Introduces "Synthetic Fleets" Clause

A bill has been introduced in the Manitoba legislature which limits group automobile insurance. The new clause is similar to that dealing with "synthetic fleets" already in the Ontario and British Columbia Acts, which was recommended for adoption by other provinces at last year's conference of the Association of Superintendents of Insurance.

The bill provides that rates charged for automobile insurance to any group of persons by reason of common employment, membership in a club, common occupancy of a building, etc., shall not be less than the individual would have to pay if insured individually. It specifies, however, that nothing in the amendment prohibits charging a special rate for insurance of two or more vehicles owned by the same person.

Canadian Fire Risks Total $9,243 Millions

Net amount of fire insurance at risk in Canada at the end of 1936 amounted to $9,243.4 millions, an increase of almost $461 millions over the previous year's total. Of last year's total, $3,979 millions represents business of British insurance companies, $3,579 foreign companies and $1,686 millions Canadian companies.

Gross amount of in force and renewed policies in 1936 was $9,663.4 millions compared with $9,641.8 millions in 1935.

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Bank Debits Total Lower

Gains in Other Areas Are Offset by Decline in Prairies

Low volume of business in the grain trade was responsible for a small decrease in bank debits during February. Although gains were recorded in four of the five economic areas into which the Dominion is divided, these were not sufficient to counterbalance a very sharp decline in the Prairie Provinces. Financial transfers at Calgary, Edmonton, Moose Jaw and Saskatoon were above the level of Feb., 1936, but Winnipeg debits were off more than 40%.

Total debits for the month were $2,831.9 millions, a decrease of 1.3% from last year. The cumulative figure for the year, however, is almost $6 billions, some $200 millions more than in the first two months of 1935, and the highest for any corresponding period since 1930.

Changes by Areas

During February, Ontario debits, led by a material gain in Toronto, advanced 4.3% over a year ago, British Columbia reported an increase of 3.8%, the Maritimes 3.4% and Quebec 1.8%. Percentage reduction in the Prairies was 26.7.

Some seasonal reduction is generally recorded in February. The decline from January this year, however, was considerably more than normal, and after seasonal adjustment, the total dipped 9%. In this comparison, the Maritime figures are down 20%, Quebec 4.5%, Ontario 10.4% and the Prairies 7%. The one increase was a 11.1% gain in British Columbia.

Comparative figures follow:

Debits to Individual Accounts

	Feb., 1937	Feb., 1936
	$	$
Maritimes:		
Halifax	23,479,322	21,631,479
Moncton	7,459,354	7,276,313
Saint John	14,377,086	14,869,159
Total—Maritimes	45,315,762	43,826,951
Quebec:		
Montreal	825,521,929	808,663,635
Quebec	50,632,879	52,281,112
Sherbrooke	5,490,495	4,845,562
Total—Quebec	881,645,303	865,790,309
Ontario:		
Brantford	8,352,991	7,021,419
Chatham	8,570,827	6,787,120
Fort William	6,497,520	3,820,608
Hamilton	45,891,510	46,668,791
Kingston	4,821,086	4,492,109
Kitchener	10,025,597	9,730,063
London	31,424,273	30,967,000
Ottawa	82,872,946	90,886,642
Peterborough	5,661,318	4,565,993
Sarnia	5,192,192	5,298,806
Sudbury	5,959,132	4,786,152
Toronto	1,060,079,148	1,012,637,069
Windsor	37,448,740	30,571,054
Total—Ontario	1,312,797,280	1,258,232,826
Prairies:		
Brandon	2,132,586	1,811,511
Calgary	54,340,995	44,747,473
Edmonton	26,317,299	24,279,756
Lethbridge	2,836,526	2,962,038
Medicine Hat	1,668,197	1,681,986
Moose Jaw	4,828,390	3,509,393
Prince Albert	1,748,250	1,729,237
Regina	27,227,453	30,526,177
Saskatoon	8,284,291	7,008,484
Winnipeg	184,347,380	309,576,509
Total—Prairies	313,731,367	427,832,564
British Columbia:		
New Westminster	4,668,397	4,567,992
Vancouver	147,196,448	139,788,841
Victoria	26,579,880	27,409,841
Total—B. C.	178,444,725	171,766,674
Total for Canada	2,731,934,437	2,767,449,324

Weekly Bank Clearings

	Apr. 1 1937	Change Year Ago	Mar. 25 1937
	$	%	$
Halifax	1,849,244	—14.7	2,629,495
Saint John	1,517,288	—7.4	2,111,211
Moncton	532,727	—11.0	736,332
Sherbrooke	515,349	—9.6	552,804
Quebec	3,637,577	—17.1	4,247,179
Montreal	95,089,634	—10.0	110,573,387
Ottawa	10,850,969	—24.6	15,990,711
Kingston	383,778	—21.4	459,427
Peterborough	561,009	—9.7	555,042
Toronto	97,060,667	—22.5	123,117,123
Hamilton	4,369,913	—11.8	4,761,859
Kitchener	879,773	—13.6	904,555
Brantford	743,457	+0.4	964,129
London	2,442,807	—10.5	2,273,469
Chatham	519,460	+22.9	526,672
Sarnia	356,481	—11.4	451,991
Sudbury	745,558	—2.9	865,334
Fort William	504,787	+1.6	544,052
Winnipeg	33,943,308	—6.0	38,681,440
Brandon	219,868	—15.7	230,731
Moose Jaw	543,190	—16.7	558,568
Saskatoon	1,076,481	—8.9	1,169,558
Prince Albert	273,511	—5.6	292,468
Edmonton	3,127,898	+16.4	3,641,890
Medicine Hat	201,084	—8.1	188,599
Lethbridge	372,325	—14.3	440,033
N. W'minster	537,562	—23.3	662,918
Vancouver	16,855,124	—11.3	19,342,453
Victoria	1,398,304	—7.5	1,456,711
Calgary	4,945,699	—1.6	5,830,256

Bank of Canada Weekly Statement

Gold holdings of the Bank of Canada continued to increase during the week ended March 31, rising a further $1.7 million to $187.9 millions. Other material changes include increases of about $1.8 million in note circulation and in deposits of the Dominion Government.

Balance Sheet

	Mar. 31 1937	Mar. 24 1936
Liabilities	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	125,969,641	124,125,901
Rest fund	743,716	743,716
Dep.: Dominion	36,751,263	34,916,725
Banks	194,275,314	194,226,472
Other	1,452,352	1,433,851
Total deposits	232,478,929	230,577,049
All other liabs.	1,316,650	1,645,677
Total liabs.	370,608,936	367,192,343
Assets		
Reserve: Gold	187,947,225	186,236,999
Silver bullion	2,358,069	2,343,986
Res. in sterling and U. S.	19,705,798	22,928,919
Total reserve	210,011,092	211,509,904
Subsidiary coin	207,847	207,111
Investments:		
Dom. Govt. short	50,974,634	50,947,267
Other Dom. Govt.	101,796,787	101,940,125
Total invest.	152,771,421	152,887,292
Premises	373,479	373,478
All other assets	7,245,097	2,214,456
Total assets	370,608,936	367,192,343
Reserve ratio	58.58%	59.36%

New Branch Bank

A branch office of the Bank of Montreal was opened at Gold Park, Ont., on April 6, as a sub-agency to the Goudreau office. Service will be given on Tuesdays, when the Goudreau branch will be closed.

Deposits Rise Sharply In February Statement

Increase in Loans Maintains Credit Index Near January Level — Banks Add to Investment Holdings

Moderate increases in loans and investments and a more substantial rise in deposits feature the composite statement of Canada's ten chartered banks as at the end of February.

As a result of the month's developments, The Financial Post credit index, based on the ratio of call and current loans in Canada to Canadian public deposits, declined fractionally to 36.5%, 3.4 points under the figure for February, 1936.

The increase in loans was fairly well confined to current advances and loans to municipalities. Current loans, used largely for commercial purposes, rose $4.1 millions during the month, reflecting continued improvement in business activity and a rising price trend. It is probable that the increase in municipal borrowings was seasonal for the most part. In most municipalities the greatest wave of tax collections comes about April, and it is customary to borrow in anticipation of that revenue.

For the first time in many months, call loans registered a decrease, although the decline was small. It will be recalled that the slump in the bond market got under way in February, with prices easing and trading much less active than in previous months.

Investments Rise

The increase in investment holdings is a direct answer to those who claimed that liquidation of banks' securities was an instrumental factor in the declining bond market. Holdings increased during the month by $10.5 millions to $1,422.1 millions, $157 millions more than a year ago. Earlier in the year bankers predicted that while the banks would still be a most important factor in the market, their influence would be less than in the last few years. In other words, it was felt that the banks would not be very heavy buyers of securities. This has not entirely been borne out, although in the first two months of the year, the banks increased their holdings by only about a third as much as in 1936.

Public deposits were up $26.5 millions from the January total, savings balances rising $15.2 millions and current accounts $11.3 millions. Dominion Government and foreign balances were also materially higher, but provincial government balances dropped $11.3 millions.

Comparative figures on the major factors affecting the Canadian credit situation follow:

Use of Bank Credit in Canada
(In Millions of Dollars)

	Feb. 28, 1937	Jan. 31, 1937	Change	Feb. 29, 1936	Change
Loans	923.8	915.3	+8.5	947.3	—23.5
Investments	1,422.1	1,411.6	+10.5	1,265.1	+157.0
Total	2,345.9	2,326.9	+19.0	2,212.4	+133.5
Deposits	2,219.3	2,192.9	+26.5	2,051.0	+168.3

Cash Lower

Cash position of the banks was $7.9 millions lower than in the previous month, the decline being particularly evident in holdings of Bank of Canada notes.

Largest individual change of the month was in balances due by foreign banks which increased $46.1 millions. It is probable that this reflects Dominion Government financing in the United States. The increase was mainly in the accounts of the Bank of Montreal and the Royal Bank which registered gains of $23 millions and $21 millions respectively.

Individual changes, as indicated in the composite return of the chartered banks to the minister of finance, are as follows:

ASSETS.

	February, 1937	January, 1937	Change	February, 1936	Change
	$	$	$	$	$
Immediately Available Liquid Assets					
Canadian coin	5,394,483	5,664,901	—270,418	5,875,032	—470,549
Bk. of Can. notes	38,352,680	44,011,345	—5,658,665	30,880,491	+7,472,189
Bank of Can. depos.	195,044,747	197,040,751	—1,996,004	186,934,473	+8,110,274
Bank's cash	238,791,910	246,716,997	—7,925,087	223,689,996	+15,101,914
Other bank notes	5,885,703	5,223,441	+362,262	6,493,543	—607,840
Gold & sub coin ab'd.	4,443,220	4,857,028	—413,808	9,823,286	—5,380,066
Foreign banks	187,899,157	141,800,619	+46,098,538	124,357,068	—63,542,089
Foreign curr.	22,425,298	23,365,235	—839,937	23,112,885	—687,587
Gov. sec. short term	476,269,607	469,596,708	+6,672,899	479,353,305	—3,083,698
Do., long term	647,112,145	639,135,523	+7,976,622	561,931,160	+85,180,985
Call loans abroad	67,808,315	72,433,375	—4,625,060	62,130,021	+5,678,194
	1,650,635,355	1,603,428,928	+47,206,429	1,490,891,264	+159,744,091
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	113,334,076	109,600,945	+3,633,131	103,243,703	+10,090,373
Public secs.▲	65,757,651	85,170,317	—19,412,666	47,881,787	+17,865,864
Other secs.	119,640,614	108,050,549	+11,590,065	72,707,740	+46,932,874
Can. call loans	118,821,683	119,409,697	—588,014	78,259,633	+40,562,050
Current loans	691,687,139	687,349,679	+4,337,460	741,591,724	—49,904,585
Loans abroad	167,565,468	162,108,685	+5,456,783	145,623,539	+21,941,829
Prov. loans	18,070,303	17,481,616	+588,687	22,380,562	—4,310,259
Mun. loans	95,232,131	91,087,671	+4,144,460	105,079,620	—9,847,489
	1,390,109,065	1,380,259,159	+9,849,906	1,316,768,308	+73,340,757
Other Assets					
Non-curr. loans	11,947,067	11,979,935	—32,874	13,566,599	—1,519,538
Real estate	8,817,753	8,784,459	+33,294	8,614,445	+203,308
Mortgages	4,135,445	4,248,342	—112,897	5,308,677	—1,173,232
Premises	75,024,848	74,989,356	+35,492	76,130,983	—1,106,135
Letters of credit	75,511,002	71,069,321	+4,441,681	58,008,873	+17,502,129
Loans to comp.	9,727,642	9,790,938	—63,296	10,676,314	—948,672
Other assets	1,809,153	1,800,026	+9,127	1,896,869	—87,716
	186,972,904	182,662,377	+4,310,527	174,202,760	+14,770,144
Total	3,227,717,324	3,166,350,462	+61,366,862	2,981,862,332	+245,854,992
Note circ. dep.	7,046,512	7,046,512	....	6,879,684	+166,828
Int. bank bal.	94,279,895	88,227,991	+6,051,904	84,116,294	+10,163,601
Gross	3,329,043,731	3,261,624,965	+67,418,766	3,072,858,310	+256,185,421
LIABILITIES					
To the Public					
Circulation	114,238,885	108,947,321	+5,291,564	124,385,537	—10,146,652
Dom. Govt.	114,945,308	91,332,396	+23,612,912	65,214,342	+49,730,966
Prov. Govt.	34,720,572	46,052,344	—11,331,772	35,726,594	—1,006,022
Deposits by Public					
Demand dep.	655,514,404	644,267,905	+11,246,499	533,784,608	+121,729,796
Savings dep.	1,563,829,859	1,548,604,580	+15,225,279	1,517,261,281	+46,568,578
Total	2,219,344,263	2,192,872,485	+26,471,778	2,051,045,889	+168,298,374
Foreign dep.	420,797,381	405,464,162	+15,332,219	396,281,436	+24,515,945
Due to Banks Abroad, Etc.					
United Kingdom	10,976,021	10,228,027	+747,994	8,514,066	+2,461,955
Foreign	30,616,240	31,393,848	—677,608	26,823,057	+3,793,183
Bills payable	694,414	680,072	+14,342	1,198,881	—504,467
Letters of credit	75,511,002	71,069,321	+4,441,681	58,008,873	+17,502,129
Other liabs.	3,080,868	3,082,951	—2,083	2,908,991	+171,927
Total public liab.	3,024,925,004	2,961,122,927	+63,802,077	2,770,107,666	+245,817,338
Due bet. banks	11,979,732	10,756,488	+1,223,244	12,013,689	—33,957
Liability to Shareholders					
Dividends	2,949,327	2,540,142	+409,185	2,948,654	+673
Reserve	133,750,000	133,750,000	....	132,750,000	+1,000,000
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,319,104,063	3,253,669,557	+65,434,506	3,063,320,009	+255,784,054
Credit index*	36.5%	36.8%	—0.3	39.9%	—3.4

▲Other than Canadian.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

H. H. Lawson Elected Zimmerknit Director

H. H. Lawson, Toronto, was elected a director of Zimmerknit Co. at the recent annual meeting. He succeeds E. D. MacPhee, Toronto, who was formerly secretary-treasurer of the company.

W. P. Walker is now secretary of the company and W. S. Hunton, assistant secretary. The new treasurer is D. W. T. Scully with W. A. Clarke as assistant treasurer.

Bank Chat

From the banks' viewpoint, a most refreshing attitude on taxation proposals is evidenced in the Saskatchewan budget. Banks have been considered fair game by tax levying authorities, and some believed that Saskatchewan would follow the examples so recently set by the province of Alberta and the city of Montreal. They had reason for this belief, as the Jacoby Tax Commission had recommended earlier this year that bank taxation be increased by a levy on gross earnings.

Thus it was rather a surprise that no additional tax was levied. The announcement was made reluctantly, however, and apparently the decision was reached only after possible avenues of taxation had been explored and found wanting. The Jacoby recommendation is considered by the Government of doubtful legality. Similarly, a tax on paid-up capital, such as has been proposed in Alberta, was discussed and discarded in the belief that it is "almost certainly" not within the powers of the province.

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Business Tax

A tax on loans and deposits in the province is considered more justifiable but lack of information hindered any possibility that this would be levied this year at least. Returns to the federal minister of finance show only the totals for the Dominion. No break-up by provinces has yet been made available. Thus the report of the board of revenue commissioners to the Government states: "We reluctantly leave taxation of banks at the present rate until we have the opportunity of securing the necessary information."

Extension of the present method of taxation, a levy on bank branches, is held inadvisable as it would result "in the closing of branch banks and reduction in actual revenue and in the interest of the sparsely populated communities."

It is of interest that the Saskatchewan Government has considered the proposals recently introduced in Alberta and in Montreal, and has rejected both.

• • •

Bank Speculators

Bank managers are generally regarded as the essence of respectability. In many instances, of course, it is a case of mistaken identity, but in most matters of finance it is an acceptable viewpoint. Consequently, it was rather startling to hear one of the black sheep of the fold state that at least 90% of the officials of his bank were speculating. This particular ex-manager, who was on trial charged with theft of some $35,000 of the funds left with his branch for safe keeping, went further and intimated that he was daily breaking dozens of rules with the full knowledge of head office.

There naturally are exceptions to all general rules and most branch managers will admit having slipped up on some of them. It is obvious, however, that no branch manager can continually scoff at the more important regulations set down by the powers that be and keep his job.

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Rules of the Game

The speculation charge is not as serious as it appears at first blush. Bankers can speculate all they please so long as they employ their own funds. They may even "speculate" for clients, in so far as acting as their intermediary in security dealings is concerned. But when it comes to speculation with the bank's funds, it is a different matter entirely.

Most of the banks will lend to their managers for the purpose of buying securities. Some encourage it. But in all cases where this is done, close supervision is maintained to ensure that only high-grade securities are purchased. Most effective method is to hold the securities as collateral for the loan.

Foreign Exchange

Sterling strengthened slightly last week, probably reflecting heavy demand for British funds on ordinary commercial account. Normally sterling is very firm in terms of dollar currencies about this time of year, but other than commercial factors, notably a flow of funds to foreign investment, have served to keep the exchange rate fairly steady. It is likely, however, that with an influx of visitors for the Coronation, the demand for sterling will increase.

No essential change is apparent in France, although francs strengthened along with sterling.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Mar. 30	Mar. 31	Apr. 1	Apr. 2	Apr. 3
U. S. Dollar, High	.99 57/64	.99 13/16	.99 13/16	.99 13/16	.99 13/16
Low	.99 11/16	.99 7/8	.99 13/16	.99 7/8	.99 7/8
1936 High	1.00 1/2	1.00 1/2	1.00 11/16	1.00 11/16	1.00 11/16
Low	1.00 3/8	1.00 11/32	1.00 11/32	1.00 11/32	1.00 3/8
U. K. pound	4.88 1/4	4.89 1/8	4.89 1/4	4.89 1/4	4.89 1/8
Australia	3.90 3/4	3.91 1/2	3.91 1/2	3.91 1/2	3.91 3/4
Austria	.1871	.1871	.1871 1/4	.1871 1/4	.1871 1/4
Belgium	.1681 3/4	.1683	.1683 1/4	.1682 3/4	.1683 1/2
Brazil	.0618	.0620	.0615	.0615	.0615
Czechoslovakia	.0349	.0349	.0348 3/4	.0348 3/4	.0348 3/4
Denmark	.2181	.2185	.2184	.2185	.2186
France	.0459 1/8	.0460 1/8	.0459 1/2	.0460	.0460 1/4
Germany	.4018	.4020 1/2	.4019 1/4	.4019 1/4	.4019 1/4
Greece	.0090	.0090	.0090	.0090	.0090 1/8
Holland	.5468 1/2	.5473	.5470 3/4	.5470 7/8	.5470 3/4
Hungary	.1973	.1975	.1973 1/8	.1973 1/4	.1973 1/4
India	.3691	.3694	.3692 1/2	.3692 1/2	.3700
Italy	.0525 3/4	.0526	.0525 3/4	.0525 3/4	.0525 3/4
Japan	.2851	.2853	.2852 1/4	.2851 1/4	.2853 1/4
Jugoslavia	.0233	.0233	.0233 1/4	.0233 1/4	.0233 3/4
New Zealand	3.94	3.94 1/2	3.94 1/2	3.94 1/2	3.94 3/4
Norway	.2454	.2459	.2458 3/4	.2459 3/4	.2459 1/2
Poland	.1895	.1896	.1895	.1895	.1895
South Africa	4.87 1/4	4.88 1/4	4.88 1/4	4.88 1/4	4.88 1/2
Sweden	.2518	.2523	.2523 1/8	.2523 3/4	.2523 5/8
Switzerland	.2276 1/2	.2278	.2277 1/2	.2277 1/4	.2278 3/4
Hong Kong	.3040	.3042	.3038 1/4	.3037 1/4	.3037 1/4

Staff Changes

The Royal Bank has announced the following changes in staff:

A. E. BRUNDRETT, formerly manager at Walkerville, to be manager at Jones and Gerrard, Toronto.

C. J. DURLING, formerly manager at Woodstock, N.B., to be manager at Whitney Pier, Sydney, N.S.

A. C. HUTCHISON, formerly manager at Whitney Pier, Sydney, to be manager at Digby, N.S.

G. A. CAMPBELL, formerly manager at Portage Ave., Winnipeg, to be manager at Bank & Sparks, Ottawa.

J. H. GIBB, formerly accountant at Guelph, to Rockwood, Ont.

G. B. COLES, to be accountant at Welland, Ont.

G. A. SPARROW to be accountant at Guelph, Ont.

P. T. SILVAIN, of Bank & Sparks, Ottawa, and J. A. LAIRD, of Rockwood, have retired on pension.

The Bank of Montreal has made the following appointments:

B. C. DOWNEY, formerly at Weyburn to be manager at Carbon, Alta.

C. L. McGREGOR, formerly manager at Carbon, to be manager at Semans, Sask.

J. CLARK, formerly manager at Semans, to be manager at Souris, Man.

A. J. FOLKERSEN, formerly manager at Souris, to be manager at Dauphin, Man.

The Bank of Nova Scotia has announced the following staff appointments:

R. J. MILLICHAMP to be acting manager at Harrowsmith, Ont.

The Bank of Toronto announces that J. R. WRIGHT, formerly of head office inspection staff, has been appointed manager of City Hall branch, London, Ont., succeeding T. F. WALKER.

BANK with BARCLAYS
BARCLAYS BANK (CANADA)
214 ST. JAMES STREET MONTREAL
60 KING STREET WEST TORONTO

International Paper and Power Company
New 5% Convertible Cumulative Preferred Stock
The plan for recapitalization of the company has been decided upon and has been presented to the Securities and Exchange Commission for approval. Under this plan each new preferred share is convertible into two and one-half shares of new common stock.
We recommend this stock, when, as and if issued, for speculative investment.
We have prepared an analysis which may be obtained upon request.
MIDLAND SECURITIES CORPORATION LIMITED
307 Dominion Bank Bldg. King and Yonge

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which the Western Australian Bank & The Australian Bank of Commerce Ltd. are amalgamated)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1936 £115,150,000
A. C. DAVIDSON, General Manager.
780 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
HEAD OFFICE: GEORGE STREET, SYDNEY.
London Offices:
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This institution is fully equipped to render a complete service as Trustee, Registrar, Transfer Agent, Agent under Escrow or Pooling Agreement, etc.
Should you desire to use any of these services, we will be pleased to discuss them with you.
MONTREAL TRUST COMPANY
61 Yonge St., Toronto
J. F. HOBKIRK, Manager

TOOLE, PEET & CO.
LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
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CALGARY CANADA

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

Position of Chartered Banks of Canada as of February 27, 1937, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. due to other banks in Canada	Due to Banks in U.K.
	$	$	$	$	$	$	$	$	$
Montreal	25,057,150	103,122,151	6,697,110	....	182,844,025	420,384,074	61,747,878	2,570,695	2,410,431
Nova Scotia	10,471,739	1,738,355	1,119,365	....	42,522,282	148,284,113	42,690,611	2,206,463	251,296
Toronto	4,416,155	454,471	1,223,098	....	30,541,626	77,263,420	2,469,381	1,402,170	577,079
Provinciale	3,487,392	164,307	405,717	....	5,459,662	38,322,306	183,432	1,689	....
Commerce	23,371,482	2,342,515	10,370,909	....	130,147,512	308,152,930	61,535,740	1,315,246	1,354,365
Royal	30,496,371	4,008,457	8,998,948	....	172,598,613	311,451,999	244,221,346	285,925	1,365,381
Dominion	6,231,604	295,977	1,720,175	....	30,360,295	72,985,198	3,900,225	1,901,780	999,119
Nationale	4,390,379	869,862	364,892	....	25,173,551	95,174,015	1,123,134	1,031,973	28,381
Imperial	6,018,583	1,833,599	3,820,485	....	34,097,321	87,941,894	224,446	1,151,749	645,135
Barclays (Canada)	298,030	65,613	116	....	1,769,517	3,869,910	2,701,188	112,042	3,244,834
Total	114,238,885	114,945,308	34,720,572	....	655,514,404	1,563,829,859	420,797,381	11,979,732	10,976,021

NAME OF BANK	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$
Montreal	4,863,693	39,830	10,108,904	1,936,508	727,127	39,000,000	36,000,000	897,509,582
Nova Scotia	1,606,994	42,437	6,600,641	279,021	364,302	24,000,000	12,000,000	294,227,391
Toronto	1,126,819	342,300	2,843,280	....	150,419	9,000,000	6,000,000	137,810,223
Provinciale	63,150	....	39,501	1,358	63,970	1,000,000	4,000,000	53,192,488
Commerce	8,436,277	20,203	22,774,784	....	605,184	20,000,000	30,000,000	620,427,153
Royal	10,535,483	225,828	26,223,402	365,130	713,596	20,000,000	35,000,000	866,490,486
Dominion	620,417	....	3,471,537	277,577	176,159	7,000,000	7,000,000	136,940,068
Nationale	440,045	23,816	425,843	221,274	144,312	5,000,000	7,000,000	141,411,482
Imperial	1,244,629	....	1,254,380	....	4,258	8,000,000	7,000,000	153,336,474
Barclays (Canada)	1,678,733	....	1,768,730	....	....	750,000	1,500,000	17,758,716
Total	30,616,240	694,414	75,511,002	3,080,868	2,949,327	133,750,000	145,500,000	3,319,104,063

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorised	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are partners	Average Notes and deposits with Bank of Can.	Greatest amount of Notes in Cir.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	666,997	86,735,956	25,057,150
Nova Scotia	15,000,000	12,000,000	12	2,604,981	22,314,000	10,471,739
Toronto	10,000,000	6,000,000	10	558,692	11,275,266	[illegible]
Provinciale	5,000,000	4,000,000	6	196,805	3,702,307	[illegible]
Commerce	50,000,000	30,000,000	8	2,762,576	38,992,511	[illegible]
Royal	50,000,000	35,000,000	8	1,218,808	45,152,219	[illegible]
Dominion	10,000,000	7,000,000	10	1,193,189	7,508,133	[illegible]
Nationale	10,000,000	7,000,000	8	144,371	11,624,133	[illegible]
Imperial	10,000,000	7,000,000	10	596,683	9,790,735	[illegible]
Barclays (Canada)	1,500,000	1,500,000	....	....	735,759	[illegible]
Total	211,500,000	145,500,000	....	9,943,102	237,831,019	114,306,565

▲ Of this amount $54,343,172 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada prior to Aug., 1935. * And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt and Bank Notes other than Canada	Cheques on other banks	Balances due from other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,118,028	144,115	11,716,104	69,354,220	1,444,545	448,010	21,701,300	6,555	4,725,002	81,296,875	174,693,868	189,193,283
Nova Scotia	331,069	1,643,462	2,960,235	20,861,554	464,318	3,332,658	7,788,952	....	277,163	7,097,956	35,787,708	59,579,121
Toronto	221,667	....	1,725,081	8,558,931	288,20[illegible]	58,751	6,022,941	....	1,316,627	2,945,091	9,499,147	43,209,526
Provinciale	194,317	....	708,109	3,997,451	211,539	59,834	1,915,391	553,691	481	88,925	5,055,709	9,898,593
Commerce†	879,484	154,861	5,650,980	32,942,649	954,980	1,056,241	15,339,217	528	1,042,192	13,318,451	82,117,113	126,543,293
Royal‡	1,521,530	2,498,828	6,404,965	37,425,758	1,322,825	17,258,371	21,770,775	1,495	11,950,909	47,177,198	134,103,350	113,978,233
Dominion	251,094	531	2,135,140	6,738,448	439,005	78,987	4,479,463	....	681,325	1,751,221	11,098,197	35,384,198
Nationale§	514,289	1,423	2,758,998	10,441,326	313,695	54,962	3,952,736	1,005,611	109,932	1,573,527	8,531,220	21,094,527
Imperial	360,010	....	4,220,445	5,323,337	426,665	73,495	6,499,173	612,376	464,418	1,818,257	13,961,795	38,969,185
Barclays (Can.)	3,005	....	72,713	331,073	9,940	12,585	951,265	1,657,420	3,352,948	910,659	1,421,500	4,262,186
Total	5,351,734	4,173,891	38,352,680	195,044,747	5,885,703	22,425,298	90,442,219	3,837,676	23,923,997	163,978,160	476,269,607	647,112,145

NAME OF BANK	Canadian municipal securities	Public sec. other than Can.	Other bonds and stocks	Call loans in Canada	Call loans elsewhere	Current loans Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities
	$	$	$	$	$	$	$	$	$
Montreal*	38,195,913	25,262,916	33,958,562	10,291,175	25,461,269	134,092,700	12,189,682	2,060,497	30,958,925
Nova Scotia	12,851,385	744,087	13,697,178	12,429,634	2,871,493	70,843,861	17,193,934	354,356	6,140,625
Toronto	7,069,896	3,045,075	3,496,228	7,668,173	....	33,309,414	....	....	3,790,112
Provinciale	9,421,469	....	2,931,703	4,173,918	....	10,576,481	....	41,644	954,534
Commerce†	10,824,420	21,074,844	19,017,231	28,931,844	16,791,092	138,504,799	22,464,950	7,128,733	20,854,655
Royal‡	[illegible]	[illegible]	[illegible]	24,689,323	16,763,548	185,115,234	115,069,836	2,709,110	11,703,387
Dominion	[illegible]	[illegible]	[illegible]	11,917,160	5,840,913	35,343,412	609,518	....	1,931,036
Nationale§	[illegible]	[illegible]	[illegible]	8,654,301	80,000	34,692,402	37,548	18,169	12,419,849
Imperial	[illegible]	[illegible]	[illegible]	8,912,955	....	47,846,105	....	5,757,794	6,479,008
Barclays (Can.)	[illegible]	[illegible]	[illegible]	1,153,200	....	1,362,641	....	....	....
Total	113,334,076	65,757,651	119,640,614	118,821,683	67,808,315	691,687,139	167,565,468	18,070,303	95,232,131

NAME OF BANK	Non-Current loans	Real estate other than Bank premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	[illegible]
	$	$	$	$	$	$	$
Montreal*	2,703,820	685,350	554,858	14,000,000	1,737,019	410,072	898,513,679
Nova Scotia	730,275	....	98,568	6,822,564	584,013	2,696,854	294,873,879
Toronto	140,684	....	46,388	3,500,321	349,424	....	[illegible]
Provinciale	93,014	670,534	349,291	2,103,041	183,675	80,897	[illegible]
Commerce†	3,704,956	2,772,167	1,553,015	14,870,219	1,325,000	3,922,709	[illegible]
Royal‡	3,603,281	2,711,403	754,127	15,649,454	1,625,000	3,935,940	[illegible]
Dominion	342,449	108,221	37,839	5,741,200	345,100	218,608	[illegible]
Nationale§	312,911	1,580,164	383,797	5,892,915	391,921	116,595	[illegible]
Imperial	305,504	289,805	357,562	5,987,134	438,164	155,608	[illegible]
Barclays (Can.)	10,167	....	....	450,000	17,196	....	[illegible]
Total	11,947,061	8,817,753	4,135,445	75,024,848	7,046,512	1,809,041	[illegible]

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement. — Footnote to the Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $75,511,002 letters of credit outstanding included in liabilities.

Week in Mining

Discipline or Free-for-All Choice Facing Investors

Canadian Mining Industry is Strong Enough to Benefit by Precautionary Legislation—Radium Statistics

Canada is now having to decide, for many years to come, whether her securities markets, particularly mining issues, will be left free to scramble for the public's money as they will, or whether the business of obtaining money for development of the north will have to proceed, like any other business, along organized channels set up by the state.

The issue at stake is really as broad as this. There are those, some of whom have access to newspaper space, who really believe that any form of regulation in mining is fatal and preposterous.

To argue that the mining industry should be left free of all discipline is an admission of weakness. It takes a strong man to stand discipline, and no strong man has ever been the worse for reasonable discipline. Mining is in a strong position. It can be stronger still, but only if disciplinary measures are taken against those who see in it a God-given chance to fleece the public.

The Financial Post believes that the latest code of the Ontario Securities Commission, and the points agreed upon by the combined authorities of all Canada are a forward step in this direction.

While they may need modification in some minor points, to cancel them entirely as is advocated by a few, would be a retrograde step, putting Canada back many years.

Lurid Journalism

Bearing no direct connection with the controversy over Securities codes, but indicative of the extreme views held, is a series of articles appearing in the Winnipeg Free Press, painting a highly colored picture of conditions in Ontario mining promotional circles.

The articles represent a rather amazing type of journalism. The first one started out by making a series of startling statements, such as that Jacob Factor was represented by five Toronto brokerage houses, that half the unlisted brokers were blinds for racketeers, etc. Then, unobtrusively comes the statement that "like most rumors, these do not happen to be true."

Any newspaperman could spend five minutes on Bay St. and collect half a dozen startling rumors, but if they are untrue, why lead off an article with them?

While it is doubtful if such articles would be taken seriously except by the most naive, they did have the result of dragging The Financial Post into the argument, via the Ontario Securities Commissioner, Mr. John M. Godfrey, who, in an interview published in Toronto, linked the Winnipeg articles with those appearing some months ago in The Financial Post, crediting both series on political knavery.

• • •

Political Motives

It is regrettable that the Commissioner made such an error. The Financial Post's articles which were factual descriptions of the operations of a group of share-pushers then operating in Toronto, were aimed at half a dozen unlisted dealers, with rank reputations, who were doing the mining industry incalculable harm. The fact that, following publication of these articles, each one of the firms referred to were closed up by the Commission, was ample justification for their publication.

Seeing that the job had been done, there was nothing more to say.

It is hard to see, in view of these facts, how the Commissioner can sincerely believe that The Post articles were politically motivated. If The Post had a political bias, it would hardly have given the Commission the credit it has in the past, and hopes to give in the future.

• • •

London Curb Exchange

Official notice has reached The Post of the organization of the London Curb Exchange, under distinguished auspices. One of the functions of the new Exchange, The Post understands, will be the ceration in London, of a market for Canadian mining securities.

According to the prospectus, the new Exchange will serve as a focal point for numerous independent brokers in London and the provinces who have established themselves as reliable and substantial. Membership has been restricted to 250 members, of which 70 will be London brokers, leaving 180 memberships to be distributed throughout the Empire.

This may very well prove to be a medium for interesting British capital in mines other than South African and Australian.

• • •

Radium Statistics

Annual report of Eldorado Gold Mines is an interesting document in many respects. It shows substantially increased net profit and increased ore reserves, in addition to a forecast of tripling capacity at Port Hope, as reported in previous issues of The Post.

The man in the street will, however, be forgiven for being a little disappointed that production of various minerals, particularly radium, is not given separately.

What this writer, and others, would like to know, is just how much radium Canada produced in 1936? What did it cost per gram to extract, and what did it sell for?

The answers to these questions are probably the private business of the company, and officials feel it would not be in the company's interest to divulge them. Government reports are of no help, because under the heading of radium products, is a note: "Data not available for publication."

Some clue to 1937 production is given in the report of Charles LaBine, president, who states that at present the Port Hope refinery is turning out about 2½ grams per month, which would be equivalent to 30 grams a year. This in itself is a creditable enough rate but even this will probably be exceeded when the increased capacity comes into effect.

Canada is not alone in cloaking radium production in mystery. The Minerals Yearbook 1936, published by the United States Department of the Interior, states that no data is on hand to indicate production from the Shinkolobwe deposits in Katanga, Belgian Congo, formerly the chief source of radium for the world

Moose River Pays Dividends

The name strikes a familiar chord, and The Post was interested recently in talking to a man who had just returned from the scene of last spring's mine disaster in Nova Scotia. According to this informant, the place, since the world wide publicity given the thrilling rescue, has been a mecca for tourists. One enterprising individual who apparently has access to the property, has been doing a thriving trade selling to the gawking tourists pick axes, shovels, and other old tools, allegedly used in the rescue, as souvenirs.

The supply was limited, but the demand continued, with the result that this man has scoured the nearby workings of other camps, and collected all the miscellaneous and abandoned tools available. These he is selling to the gullible as actual tools used in the rescue.

That mine may pay a dividend yet.

Reward Mining Co. Buys Surf Inlet

Reward Mining Co. has acquired from N. A. Timmins Corp. its 75% ownership of the Surf Point Mine and equipment on Porcher Island, B.C. This property, for a 75% control of which Reward paid $75,000 adjoins the company's Edye Pass Mines, which is being developed. Shipments of concentrates from Surf Point since the transfer, and representing production from Feb. 15 to March 11, had a gross value of about $7,500.

Reward Oils Ltd., a subsidiary of Reward Mining Co., has joined with Model Oils and Spooner Oils, in drilling a well in Turner Valley, 1,600 ft. south of the B. & B. well. The drilling is under the management of Model, the three companies sharing in the cost and eventual profits on an equal basis.

Net Earnings For Eldorado Record Gain

Radium Output 2½ Grams a Month—Profits 17.7 Cents a Share

TREBLE CAPACITY

Considerable improvement in the net profit is shown by Eldorado Gold Mines in its annual report for the year ended Dec. 31, 1936. Net profit for the year amounted to $644,084, or 17 cents per share, as against $138,573 or four cents per share the previous year.

Although the report is complete in many respects, it gives no clue as to the proportion of the company's income derived from the sale of radium, silver, etc. The report contains no profit and loss account, but a statement of earned surplus only.

Including inventories and supplies of $1,415,992, current assets are shown at $2,001,326. These current assets also include balance receivable from underwriters at varying dates terminating June 1, 1938, of $437,000. Current liabilities are shown at $318,106.

The report of Charles LaBine, Toronto, president of the company, points out that the price of radium since Eldorado came into production has dropped in world markets from $70,000 per gram to $25,000 per gram. This drop, he states, was directly due to the opening up of the Great Bear Lake properties.

Present production rate of radium at the Port Hope Refinery is approximately 2½ grams per month, Mr. LaBine states. It has been decided to treble the capacity of the refinery, and actual construction operations will commence in the near future.

At the mine, E. J. Walli, mine manager, states, the underground workings on the No. 2 vein were extended to a depth of 500 feet below the adit level. New levels were opened up at 465- and 590-foot horizons. At the end of the year, broken, unbroken and indicated ore reserves totalled 25,567.7 tons, averaging $124 per ton, or a total of $3,862,402. This is an increase of 31,148 tons over the 1935 figure.

During the year, 22,946.7 tons were treated in the mill. From this tonnage concentrates and cobbed ore produced totalled 401.5 tons with a gross value of $1,349,388, a large increase over 1935.

In the following tabulation, The Financial Post compares profit and loss statement given in the 1935 report with the operating statement supplied with the latest report:

PROFIT AND LOSS ACCOUNT
(Years ended Dec. 31)

	1936 $	1935 $
Sales	......	422,027
Add: Misc. revenues	......	2,448
Inventory Dec. 31	......	249,546
Less: Invent. Jan. 1	......	77,471
Gross income	......	596,550
Less: Operat. exp.	......	393,634
Net earnings	821,421	202,916
Less: Deprec.	67,917	39,492
Deplet.	34,420	......
Int. on loans	......	16,601
Taxes & reserve	75,000	8,250
Net profit	644,084	138,573
Add: Prev. surplus	190,310	51,737
Less: adj. refinery deprec.	8,141	......
Adj. income tax	15,000	......
Balance carried fwd.	811,253	190,310
Earnings per share: Common	$0.177	$0.047

Cons. Chibougamau Sells Optioned Stock

From Our Own Correspondent

MONTREAL.—Consolidated Chibougamau Gold Fields reports that 25,000 shares at $1 a share have been taken and paid for under the terms of the option agreement. This leaves 240,000 shares at $1 a share remaining under option.

Arntfield Mines Reduces Costs

Net Loss of $1,639 For First Full Year of Production

Completing its first full year of production, and a year in which development work was of necessity largely unproductive, Arntfield Gold Mines shows a net loss of $1,639 for the year ended Dec. 31, 1937.

F. S. Arntfield, president, in the company's annual report, points out that the comparatively unproductive development work, including shaft sinking and crosscutting to the ore, is now behind the company, with the result that in 1937, substantial ore development should result.

Assured, and reasonably assured ore reserves at both shafts at the end of 1936 are calculated at 123,800 tons averaging .162 ozs. per ton in gold. At $35 gold, this would be equivalent to about $5.67 per ton.

The company also owns 50,000 shares in Francoeur Gold Mines, and will eventually own upwards of 800,000 shares of Arncoeur Gold Mines, to the west.

INCOME AND SURPLUS ACCT.
(Year ended Dec. 31, 1936)

	$
Production:	
Bullion sales	305,679
Less: Marketing exps.	3,569
Net returns	302,110
Less: Expl. & develop.	87,581
Mining	119,383
Milling	58,641
Mine exps.	45,043
Admin. & gen. exps.	21,231
Depreciation	24,997
Loss from operations	54,766
Less: Profit on sale of stk.	53,127
Loss for year	1,639
Less: Prev. surplus	7,489
Arncoeur shares res. for organ. of co.	169,031
Balance carried forward	174,881

Argosy Loss Is Attributed To Obstacles

Initial Troubles Blamed For Showing—Tonnage Increase Planned

RECOVERY $13.20

Positive and probable ore reserves at Argosy Gold Mines, at Casummit Lake, in the Patricia area of Ontario are estimated at 83,939 tons, having a total value of $1,501,991, or $17.89 per ton, it is shown in the first annual report of the company covering the 20-month period ended Dec. 31, 1936.

The mill was opened on July 6, 1936, and handled, to the end of the year, 9,872 tons, for a gross recovery of $130,027, and a recovery per ton of $13.20.

Before depreciation, development, or pre-operating costs, a net loss of $795 is shown.

Unexpected Difficulties

Unexpected difficulties encountered during the tuning-up process, and reduced tonnage milled, resulted in an unfavorable position in the balance sheet. F. L. Trethewey, president of the company, states however, that since that time current liabilities have been considerably reduced. At Dec. 31, current assets totalled $94,450 against current liabilities of $130,662. Current liabilities at that time included a bank overdraft of $39,864; accounts payable $34,094; notes payable to Northern Canada Mining Corp. and Coniagas Mines of $50,715 and wages payable of $5,989.

Current assets included cash of $117; bullion on hand and in transit, $16,033; accounts receivable $1,875; inventory of materials and supplies $76,425.

Since the organization in May, 1935, the company has spent about $650,000 for plant, mining, milling and supplies, in addition to discharging all the liabilities of the old operating company, Casey Summit, amounting to about $80,00 and transferring about 1,150,000 shares of treasury stock to Casey Summit in payment for the property.

Preliminary difficulties believed overcome, the management plans to increase production to 100 or 125 tons daily as soon as possible.

OPERATING STATEMENT
(Year ended Dec. 31, 1936)

	$
Bullion production	130,027
Less: Mining and milling	106,352
Admin. & gen. exp.	26,894
Operating loss	3,219
Add: Discounts received	253
Sundry revenue	2,171
Loss for year*	795

*Before depreciation, development, or pre-operating costs.

Turner Valley ~

Authority Says Potential Capacity Of West Flank 250 Million Barrels

A potential capacity of 250 million barrels of oil on the west flank of the Turner Valley has been estimated by engineers, Dr. G. S. Hume of the Geological Surveys Branch of the Department of Mines and Resources, Ottawa, told members of the Canadian Club meeting at Toronto recently.

This estimate was arrived at by taking a width of a quarter of a mile, possibly half a mile and a porosity in the oil zone of 10 to 20% and a thickness of 50 to 100 feet. Thus an average oil content of 100,000 barrels an acre was arrived at. Engineers allowed a shrinkage of 50% for the loss of gas when the oil is brought to the surface of the ground, and thus arrived at the figure of 50,000 barrels of oil an acre under atmospheric conditions. Assuming that drilling could be extended to the 7,000-foot level of the top of the limestone, they estimated there are 5,000 acres of crude oil lands in Turner Valley and thus arrived at the potential capacity of 250 million barrels of oil on the west flank of this field.

May Be Conservative

Dr. Hume intimated that the shrinkage factor of 50 per cent was probably too high except for a limited area close to the gas-oil boundary, but thought the amount of 250 million barrels is as good an approximation to the probable oil content as can be made at the present time.

How Much Recoverable?

"It is difficult to predict," Dr. Hume continued, "what part of this oil will be recoverable. The pressure in the gas wells at the top of the structure was originally more than two thousand pounds per square inch whereas in June, 1936, the maximum was 1,420 pounds and the minimum was 385 pounds per square inch. Some engineers placed the recovery of oil at 25 per cent but this may be conservative."

Dr. Hume pointed out that the geological interpretation of the structure of the Turner Valley fields is of great importance in relation to the development of other fields in the foothills. In this connection, present indications that the low-angle fault cutting across the structure turns down steeply under Central Turner Valley is of tremendous importance to the foothill area since it indicates that the limestone might not be cut off on the west flank. The idea that the fault might turn from a relatively low angle to a steep dip at depth was derived from a study in 1933 of a fault traced for 20 miles in the area of the Hunter Valley well on Red Deer River close to the mountain.

New Hope For Foothills

"In applying this steepening of the low-angle faults under other structures, it now becomes apparent that areas in the foothills which have been tested by one or two wells and yielded nothing may still have good prospects of oil production," Dr. Hume stated. If, for instance, Jumpingpound is eventually proved to have Palaeozoic limestone on its western flank just as Turner Valley had been proved to have a limestone there not cut off on its western edge, confidence will be re-established in drilling a number of other foothill areas where at present drilling has not been attempted or is suspended."

Payore Gold Mines, Limited

(No Personal Liability)

BALANCE SHEET AS AT 20TH MARCH, 1937

ASSETS

Fixed Assets:		
Mining Claims (Discounted Value of 1,920,000 shares issued for claims acquired, and $500.00 in cash)	$194,000.00	
Buildings, Machinery and Equipment	37,829.25	$ 231,829.25
Development Account (per schedule attached):		
Cost of Mining, Prospecting, Surveying, etc.	$ 84,324.18	
Administrative Expenses	21,102.10	105,426.28
Current Assets:		
Cash on Hand and in Banks	$ 97,216.63	
Accounts Receivable	1,451.38	
Inventory of Supplies	5,982.87	104,650.88
Deferred Charges:		
Commission on Shares Issued	$ 2,798.61	
Organization Expense	2,471.00	5,269.61
Discount on Shares		2,969,389.57
		$3,416,565.59

LIABILITIES

Share Capital:		
Authorized: 5,000,000 shares of $1.00 each par value, of which 1,548,495 shares are under option	$5,000,000.00	
Issued: 3,383,032 shares, fully paid	$3,383,032.00	
Subscribed for and Allotted—not Issued: 25,633 shares, fully paid	25,633.00	$3,408,665.00
Current Liabilities:		
Accounts Payable and Accrued Wages	$ 6,638.55	
Accrued Workmen's Compensation	762.04	
Reserve for Unrecorded Liabilities	500.00	7,900.59
		$3,416,565.59

Examined and Certified, subject to our attached Report,
P. S. ROSS & SONS,
Chartered Accountants.

TORONTO, Ont., 25th March, 1937.

HEAD OFFICE —
GENERAL ASSURANCE BUILDING — TORONTO

MOOSHLA GOLD MINES

Six diamond drill holes now spotted to test conditions below third level, where high average values were obtained.

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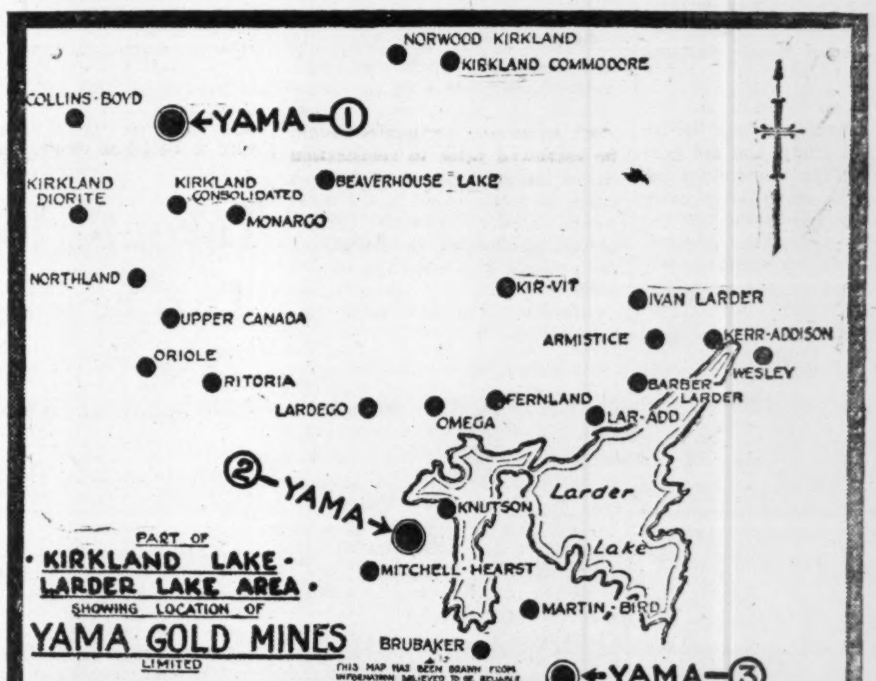

● WE ARE PLEASED to announce details regarding YAMA GOLD MINES LIMITED (No personal liability) a new mining enterprise which we believe will appeal to the experienced investor.

It will be seen readily that this Company with three well located properties and competent engineering under the supervision of the Mining Research Corporation, offers the mining investor an authentic opportunity.

3 Properties

All properties are in proven districts—Kirkland Lake and Larder Lake.

Property No. 1 consists of 10 claims in the township of Arnold, Kirkland Lake area. It is situated on a line North-East of Wright-Hargreaves, Toburn and Continental Kirkland.

Property No. 2 consists of 10 claims in Hearst Township, south of Larder Lake Townsite and Omega Gold Mines, and North-West of the Martin Bird property.

Property No. 3 consists of 8 claims in Hearst Township, South-East of the Martin Bird property.

Particular attention is drawn to the location of properties 2 and 3 in relation to Martin Bird and other promising mining companies.

Engineering

YAMA GOLD MINES LIMITED (No Personal Liability) is under the management of a group of Toronto men experienced in mining development.

Previous development work on all three properties uncovered many promising showings, with good gold values being obtained from different vein systems.

Development work on all three properties will be under the direction of the Mining Research Corporation, a group of well-known and capable engineers with the necessary resident engineers on the properties. Camps are now being erected and development work is proceeding.

Capitalization

Authorized capital 3,500,000 shares, par value $1 each. 1,100,000 vendor shares pooled subject to direction of the Ontario Securities Commission. As of April 5th, 1937, 290,005 shares issued for cash.

Complete engineer's reports on all three properties, maps and information are available. Write or telephone for copies.

Yama
GOLD MINES Limited
(NO PERSONAL LIABILITY)

Initial Offering
125,000 Shares at 30c. per share

When it is considered that the Company owns the three important groups outlined above, and that the possibilities are excellent of one or more of the groups making a mine, it will be seen that shareholders of Yama Gold Mines have a distinct advantage inasmuch as the three properties are under their control.

GOLD & METALS EXPLORATION CO.
Dept. "G", Suite 45, 171 Yonge St., Toronto.

☐ I hereby apply for ______ shares of Yama Gold Mines Limited (No Personal Liability). Cheque for ______ attached.

☐ Please send me engineer's reports, information and maps of Kirkland Lake and Larder Lake areas, showing situation of Yama properties.

Name ______
Address ______
City ______ *Prov.* ______ F.P.

This offering subject to withdrawal without notice.

Gold & Metals Exploration Company
Suite 45, 171 Yonge Street Toronto, Ont. ELgin 0237

Securities Conference Moves Interpreted as Forward Step In Protecting Share Buyers

Agreements Obtained on Points Vital Both to Mining Industry and Investing Public — Basis For Provincial Co-operation Evolved

By WILFRID SANDERS

So vociferous have been the cries of "Bogey! Bogey!" raised in connection with the Dominion-Provincial conference on Securities Fraud prevention matters, that the general public must have had difficulty, amid the din, in adequately comprehending just exactly what has happened.

Following a conference held in Toronto in March, the Ontario Securities Commission issued certain new regulations, based specifically on the conference findings. Both conference findings and new regulations are of vital importance to the mining industry and warrant calm study and an unhysterical approach.

At the Dominion-Provincial conference held in Ottawa last December, the committee on company law adopted a resolution stating that "it was possible and desirable," by appropriate legislation and by co-operation between the provinces and the Dominion, to control the sale of securities without appointing a Dominion Board. Further, the resolution recommended yearly conferences between fraud prevention officials of the various provinces and Dominion.

The recent Toronto conference was the result.

The conclave of securities officials therefore was not initiated by these officials themselves, as has been intimated, but was called at the request of the Ottawa conference.

Here is what the Toronto conference agreed to:

Full Disclosure

Full disclosure on the part of those offering the securities for sale is an essential principle in all matters relating to the sale of securities.

This is a statement of broad principle with which no fair-minded person could disagree. It requires no amplification.

Prospectus Clauses

The prospectus clauses of the Dominion Companies Act should be enforced with provincial incorporated companies by appropriate legislation. A special committee will be appointed to this end in Ontario.

The prospectus clauses of the Dominion Companies Act are the result of years of study, and are generally regarded as a standard. A prospectus could easily be a snare for the unwary, unless the law required certain minimum information. One has only to compare certain prospectuses of five years ago with the prospectus of today to see what strides have been made in this direction. This improvement has been accomplished by British law and not by any beaureaucratic methods.

Mining requires certain information not required in the ordinary statutory prospectus, and it is this problem that the special committee will study. Incidentally, this committee will be composed of representatives of the mining industry as well as of the Securities Commission, in keeping with the Commission's policy of consulting the industry before making any important requirements.

Central Bureau

The third clause deals with the establishment of a central bureau by the Canadian Government for collection and distribution of information relating to promotions, records, persons, etc.

If this suggestion is acted upon, a man who has been caught out in crooked promotional work in Quebec, will not be able to go to British Columbia and start up all over again. Before allowing him to be registered, British Columbia will be able to check with the central bureau, and get his background. This is merely supplementing the main objective of the Toronto conference, namely, uniformity and co-operation between the provinces and the federal governments. Exchange of views and information would also, under this proposal, be exchanged with the Securities Exchange Commission of United States.

Must be Registered

Essential to full disclosure is the registration under the provincial Acts of all persons and companies trading in securities. While standard registration forms were tentatively adopted, it was agreed that the requirements of the respective provinces might necessitate some variations.

Here again is a statement of policy to which no objection can be taken. It is obvious that the conference was anxious to avoid rigidity, and was conscious of the varying problems in each province. In other words, the standard registration forms required will be elastic in their requirements.

Co-operation

Reciprocity between the provinces in respect to the qualifications of persons and securities being desirable, the present practice whereby qualification is required in each province in which securities are being sold, should be continued.

This of course, simply suggests that if a security dealer has his office in Ontario, and wants to sell stock in Alberta, he and his security should be registered in Alberta as well as in Ontario. With full exchange of information, a co-operative effort can thereby be made towards keeping the crooks from the securities business.

Dummy Set-Up

If a company, after registering with the provincial authorities, plans some transaction which would have been required in a statutory prospectus filed at the time of registration, that transaction will not become effective until it is reported to the registering authority.

The need of such precautions is obvious. It prevents the fraudulent concern from creating a dummy set-up, for the sake of receiving registration, and then changing it in some vital respect.

Owership of Claims

Mining companies should not be authorized to sell shares to the public upon doubtful title to the claims. Ownership must be clearly vested in the company. If the vendor has spent money on the development of the property, money which would otherwise have been spent by the company, this should be taken into account. Regard must be had for rights under leases, or where surface rights are reserved, as well as the right of the prospector or actual staker of the claims to reasonable cash payments.

This suggestion has been criticised warmly by some, on the general grounds that it would hamper development. This seems hardly to be a weighty criticism.

Experience has shown that the majority of shareholders take it for granted that the company actually owns the property. If a company were to admit that the property might, unless option payments were kept up, revert to the vendors, it is doubtful if they would find much enthusiasm for their stock. There is, of course, nothing in this clause to prevent a mining company, which is not making a public offering of its stock, from taking an option on a likely looking prospect.

It will be noted that the new suggestions throughout seek to safeguard the welfare of the prospector.

Vendor Stock

Subject to re-imbursement of the vendor for actual cash payments made by him in the development of properties, vendor's stock in mining companies should be escrowed prior to registration under the Securities Act. In most cases, 33 1/3% should be the maximum vendor's interest. Policy should be directed at establishing the practice of retention of escrow until the property has reached production, save in special circumstances.

For years, the principle of one third authorized capitalization for the vendor has been a broad rule of thumb used by mining men. When more than this amount is allotted to the vendor, the inclination is to become suspicious of the company.

It is extremely difficult to generalize about how much should go to the vendor. There are promoters in Canada who are opposed to issuing stock for properties, and adhere to a policy of paying the vendor off in cash. There appears to be much in favor of such a policy. One such promoter has found, however, that the prospector or vendor very often prefers to receive stock to cash, even though the stock is tied up in pool.

Pooling the stock might, at first glance, appear to be unjust to the vendor, who is thus prevented from obtaining the fruits of his toil until many months or even years have passed, and, if the property does not respond to development, perhaps forever. The Ontario Commission, however, has shown itself willing to listen to reason, and has interpreted the escrow clause generously, as regards the staker of the claim.

On the whole, most mining men appear to agree that the policy of keeping the vendor stock off the market until the young company has had a chance to finance itself, has been a decidedly beneficial innovation, and one that reflects credit on the present Commission in Ontario.

Minimum Price

The minimum price per share to be received by the treasury is 15 cents. Underwritings will not be considered unless there is a minimum of $10,000 made before or at the time of application. Agreement must be exercised within 18 months.

Aside from the cash payment of $10,000 the engineer of the company or in his absence the president and secretary must certify to the minimum monthly amount the company requires to carry on its proposed operations. The underwriting agreement must provide for the payment of this monthly amount in advance. The underwriter complying with these terms can also combine an option on further stock within the time limit, namely 18 months.

Options must be exercised within a period of 18 months; the minimum amount to the treasury being 15 cents per share. A minimum of 70% of the price paid by the public must be returned to the treasury.

"Underwriting" vs. "Option"

This clause should be thoroughly understood, as it is a vital one. An underwriting agreement is an agreement calling for the payment and delivery of a stated number of shares at a named price, and at given times. Thus it differs from an option agreement, where the optioner is not bound to take down stock.

In the case of an underwriting agreement, no limit is placed upon the spread at which such shares may be offered to the public. However, before obtaining this privilege, it is necessary for the underwriter to pay into the treasury of the company at least $10,000, and continue, either by option or underwriting agreement to finance the mine in regard to its monthly requirements.

If, on the other hand, the company gives options to a broker, 70% of the money received by the broker from the public must go into the treasury of the company, the minimum amount per share to the treasury being 15 cents.

Most of the criticism levelled at this clause was the result of confusion between an option and underwriting agreement. The object of the commission is obviously to see that developing of the property is the first consideration. In the past, many so-called "underwriting" agreements have been left in default when the higher priced shares were to be taken down, leaving the company in a precarious position.

Mining Dividends

	Rate	Close Apr. 5	Yield %
Anglo-Huronian	20c	7.25	..
Beattie Gold	†5c	1.58	..
Bralorne	40c+15c	8.55	..
Buff. Ankerite	50c	11.25	4.4
Bulolo Gold	‡1.40	27.50	..
Cariboo	10c	1.74	5.7
Central Patricia	4c	4.10	..
Coniagas	12½c	3.00	..
Cons. Smelters	$1+$1	86.67	..
Dome Mines	$2+$2	45.00	*8.8
Falconbridge	30c	9.85	3.0
Hollinger	65c+45c	13.67	*8.0
Howey Gold	2c	.46½	..
Hudson Bay	$1	35.12	..
Island Mountain	‡10c	95	..
Int. Coal & Coke	‡1c	.21	..
Inter. Nickel, c.	$2	67.00	2.9
Inter. Mining	15c	14.50	..
Kirk. Lake	‡3c	1.66	..
Kerr Lake	5c	.62	..
Lake Shore	$4+1	55.50	*9.0
Lava Cap M.	2c+1c	.98	..
Little L. Lac	30c	6.70	..
Macassa	15c	7.25	2.0
McIntyre	$2	39.87	5.0
McKenzie R. Lake	6+1c	1.67	..
McKinley Sec.	2½c	.64	..
McWatters Gold	5c	1.01	..
Noranda	$3	75.50	3.9
Nor. Can. Mining	2c	.93	..
Nipissing	50c	2.80	..
Premier	12c+1c	3.10	*4.1
Pioneer, B.C.	20c	5.25	..
Pickle Crow	§20c	7.05	..
Reno	12c	1.10	11
San Antonio	14c	1.91	..
Sheep Creek	8c	.60	13.3
Siscoe	20c+1c	5.30	*3.9
Sudbury Basin	10c	5.75	..
Sylvanite	20+5c	3.95	*6.3
Teck-Hughes	40c+5c	5.70	..
Toburn	8c	3.10	2.5
Ventures	2½c+2½c	2.75	..
Wright-Harg.	•40c+20c	7.65	*7.8
Ymir Yankee Girl	5c	.36	..

‡Interim. †Initial.
*Yield includes bonus.
•Includes 10c. interim paid Feb. 1.
§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

THE ETERNAL HORSE

Despite the strides which aviation has made in becoming an essential to northern development, the horse still has his moments. The above view, taken recently at Narrow Lake portage in the Patricia district, shows a horse and cutter meeting a General Airways plane.

Toronto Lists Two New Mines

Gold Eagle and Partanen Malartic Among New Issues Traded

Stocks of Gold Eagle Gold Mines, and Partanen Malartic Gold Mine have been approved for listing by the Toronto Stock Exchange.

Trading in Gold Eagle shares started April 5. This company has an authorized capitalization of three million shares, $1 par value. Of this amount, one million shares were issued to Gold Eagle Gold Syndicate for properties and assets, and 18,000 shares allotted to David McQuaig for properties. An additional 1,613,339 shares were sold at prices ranging from 18¾ cents per share to $1.15, and netting the treasury a total of $727,783. Thus 368,661 shares remain in the treasury. Of the issued stock, 503,250 shares are in escrow.

The company, which owns property in the Red Lake area, has developed it by a three-compartment shaft to 525 ft., with four levels. Further lateral work and drilling are planned.

Back of the company is the following board of directors: Walter E. Stafford, Buffalo, president; Charles E. St. Paul, Toronto, vice-president. William S. Rogers, Millard C. Dorntge, of Buffalo, and John T. Oliver, Toronto, directors. Mr. Dorntge is treasurer.

In a balance sheet as at Dec. 31, 1936, current assets are shown at $308,858 of which $104,214 is cash, and the remainder largely Dominion of Canada bonds. Current liabilities amount to $13,733.

Partanen Malartic Gold Mine, with property in Malartic Twp., Quebec, was listed April 2. The company is capitalized at $3 millions, $1 par value. For properties, 700,000 shares have been issued and are in escrow. An additional 800,006 shares have been issued for cash, netting the treasury $95,006, and making a total of 1,500,006 shares issued.

By an agreement dated Dec. 9, 1936, the company sold 500,000 shares for cash at seven cents per share, and granted options on 1,450,000 shares, of which a total of 1,150,000 shares remain under option. This stock is optioned at prices ranging from 20 cents to $1 per share. Diamond drilling and surface work have been done, and will be continued.

As at Jan. 31, 1936, current assets amounted to $83,665, composed entirely of cash. Current liabilities totalled $2,090.

Following is the board of directors: Moritz Rothenberger, Toronto, president; Wm R. Johnston, Toronto, vice-president. Alexander P. Rogers, New York, Arthur B. Mortimer, and Brian Doherty, Toronto, directors.

Randall Mines Corp.—In carrying on development at its Fisher, Que., property, where a 50-60-ton test mill has been installed. Mines Development Corp., controlling and operating Randall, announces that it has bought an additional 150,000 shares of that company, bringing its holdings to 1,900,000 of the total capitalization of 2,500,000 shares.

News Concentrates

Alden Goudreau Mines (1937)—Developing 26 claims in Goudreau mining area of northern Ontario, has had the first two holes in its diamond drilling campaign spotted by W. A. Hesse, consultant, and S. L. MacDougall, resident engineer. It is reported that work done on the claims in former operations cost approximately $120,000. Mr. Hesse reports encouraging results from some 5,000 ft. of drilling already done, mostly on "C" vein. Values from the holes ranged from $2.45 to $39.30, and an average width of about five feet was indicated.

* * *

Amm Gold Mines—Will sink a three-compartment shaft to an initial depth of 300 ft., with the first level to be established at approximately 150 ft., H. D. Tudor, president, announces. George Smith, formerly with Macassa, has been appointed mine manager and will take charge of the shaft sinking campaign. Contracts are now being arranged for a complete mining plant capable of sinking to 1,000 ft. depth. Diamond drill is still at the property and several holes will be put down.

* * *

Arbade Gold Mines—In Matachewan area, is now shaft sinking, which was delayed during March because of water. During April the 250-ft. level will be reached and drifting begun. A porphyry vein was encountered at 150 ft., the porphyry being well fractured and mineralized, it is reported.

* * *

Augite Porcupine—Has completed six holes on its property west of Buffalo Ankerite, in Porcupine area of Ontario, four of them on the projected strike of Buffalo Ankerite. Hole 4-A has been bottomed after going through 50 ft. of mineralization, and cores have been sent to Haileybury for assay. No. 3 hole on this strike has shown 20 ft. of ore grading $11.

* * *

Beaver Sturgeon Gold Syndicate—Has been formed to develop a group of six claims in the area between the Little Long Lac group, half a mile west of Kinghorn on the C. N. R. E. B. E. deCamps recommends preliminary investigation by means of a line of diamond drill holes.

* * *

Bidlamaque Gold Mines—Reports that quartz lenses have been intersected in a large shear, necessitating further drilling to determine the importance or otherwise of this showing. At 175 ft. a parallel vein was encountered which gave $4.55 over 12 in. Main vein was picked up at a vertical depth of 21 ft., and it is proposed to drill two holes still farther to the east to test the extension of the main ore body and these parallel veins.

* * *

Bilmac Gold Mines—Is advised by mine manager E. W. Asseltine that junction of the vein with that from the Atlas Mine has been reached, and the Saville vein on the 410-ft. level shows quartz six feet wide with heavy mineralization. Samples have been sent for assay. Mr. Asseltine regards this as a very important development.

* * *

Brooks Gods Lake Mines—Has three men working on the property in God's Lake district of northern Manitoba. While the drilling programme settled upon last fall has not yet begun, it is reported that the company is now negotiating for a diamond drill and, if one is available, will start work before the break-up.

* * *

Capps Gold Mine—In Piedmont, S.C., has deepened two of its shafts some 100 ft. below the old workings and reports making rapid progress while mill construction proceeds. On completion of the present unit and with an expenditure of about $20,000, it will be possible to increase capacity to 300 tons daily.

* * *

Centennial Mine—Michipicoten property of L. B. United Mines, has poured its first brick, but figures have not yet been released. It is reported that a new lens on the second level is shaping up well. The mill went into operation Feb. 15, at which time it was reported that grade was about $10 per ton, with average width slightly under four feet, although the quartz vein widened in places to seven feet.

* * *

Century Mining Corp.—Began work late last month on a three-compartment operating shaft to be carried to a depth of 400 ft. This is being sunk by contract and is scheduled to be completed by the end of May, after which the company will undertake extensive underground development on three levels.

* * *

Connetricia Gold Mines—According to President L. J. Rogers, has contracted for diamond drilling which will start after the break-up. Property is in Skinner twp., Patricia district of northwestern Ontario, and its No. 1 vein is said to have a width of from six to seven feet along the 270-ft. length stripped, with some free gold located in different places on it.

* * *

Continental Kirkland—Announced at an informal meeting of shareholders that exploration and development is in prospect this spring on the property east of Toburn. Financial report showed $88,820 cash in the bank with $1,068 owing. New interests have taken up 125,000 shares of treasury stock and paid in $25,000. Investments were sold to bring in $65,195, and it is pointed out that the new interests had bought 493,000 previously issued shares at 20 cents per share, and that there are roughly 140,000-odd shares reported as allotted but not issued. American Smelting and Refining, Premier Gold and Toburn Gold are combining in financial responsibility for the work, with options on control of the company.

* * *

Cook Lake Gold Mines—Without waiting for further drifting results, has bought a complete mining plant capable of sinking to the 500-ft. level, with compressor and Diesel engine, H. G. Donley, president, announces. The installation was recommended by W. W. Beaton, B.Sc., consulting engineer. The west drift, mine manager A. L. Kemp reports, shows a quartz vein carrying visible gold over a width of 34 in. Drift east shows a quartz vein from 16 to 18 in. wide, maintaining that width despite narrower showings at surface.

* * *

Dorex Gold Mines—Controlled by Doreva Gold Mines and holding property in Bousquet twp., Quebec, plans to carry on surface exploration during the coming season. It is reported that no shares will be issued to the public.

* * *

Eva Lake Gold Mines—Has optioned a five-claim group known as the Westman group in Beardmore area of Ontario, adjoining Northern Empire on the west. The company has changed its plans for underground development of this property and instead of sinking a shaft and doing lateral work will start by means of an adit tunnel, by which the vein can be reached with only 140 ft. of crosscutting.

* * *

Fernland Gold Mines—Reports from its Larder Lake property adjoining Omega that six diamond drill holes have been completed. No. 1 cut the vein 105 ft. down, showing true width of 16½ ft. of low values. No. 2 cut the vein at 200 ft., directly below No. 1 hole, giving a width of 15.8 ft. 7½ ft. in this width averaged $4.76. No. 3 hole, about 200 ft. east of Nos. 1 and 2, cut the vein 110 ft. down, there being a true width of about 90 ft. of mineralization, in which two core sections were intersected assaying $4.03 over 5 ft. 7 in., or $3.15 over 8 ft. 4 in.

* * *

Fontana Gold Mines—Has so far proved up a length of 300 ft. on the vein which it is opening at the property in Duverny twp., Quebec. Width is reported as approximately four feet, giving interesting values. Shaft sinking equipment has just arrived at the mine, and operations are proceeding satisfactorily.

* * *

Golden Summit Mines—Reports from its Sesekinika property in Kirkland Lake area that the shaft and 375-ft. level have been unwatered. Company is preparing for furtherance of underground work.

* * *

Grenadier Gold—Appears to have two separate vein systems on the property, one with an approximate east-west strike and the other with a north-south strike, according to a report by E. J. C. Smith, M.E., B.Sc., who logged and sampled the drill cores from holes Nos. 7 to 13 inclusive in a visit to the property in Duverny twp., Quebec.

* * *

Harwood Lake Mines—Pending the arrival of its mining plant, is carrying on surface work and diamond drilling at this property in Fox Lake section of Sudbury district. When the plant is installed, shaft sinking under power will proceed. Proposed objective is a depth of 500 ft.

* * *

Ivan-Larder Lake Mines—Capitalized at 3,000,000 shares, of which half were issued for the property and vendors' stock pooled, will shortly start active development work, gold values having been found in the surface work already done. William Joyce and a gang of men have left for the property in Larder Lake area, at the east end of Bear Lake, to open up the surface showings further by test pitting. Diamond drilling will follow as soon as this is completed and larger camps are erected. Company reports sufficient finances to carry out the development campaign.

* * *

Kenecho Gold Mines—Is advised in a wire from Charles Young, managing director, that the vein is increasing in width at depth. A further 16 ft. of shaft sinking was completed during the past fortnight at the Kenora property, to which a two-ton shipment of supplies to carry over the break-up is being sent. Preparations are being made to drill Kenecho's recently-acquired holdings adjoining the Rowan Lake development of Errington interests on the southeast. The group consists of 22 claims.

* * *

Keyroc Mining—East of Stadacona in Rouyn twp., Quebec, has completed No. 1 diamond drill hole at 291 ft., according to Murray D. Kennedy, consultant. The drill intersected 16 ft. of well-sheared material at 171 ft., it is reported, and it has now been moved to the lake shore. Second hole will be put down from the ice.

* * *

Kir-Vit Mines—Capitalized at 3,500,000 shares, has chosen a shaft site on its Larder Lake property and expects to start sinking within a couple of months. Colin A. Campbell, consultant, has prepared a programme calling for a 500-ft. three-compartment shaft with four levels at 125-ft. intervals. Some 33 holes have been completed along the ore zone. Company's treasury has been provided with working capital and initial financing has been successful enough to allow the setting aside of $125,000 in a trust fund earmarked to meet payments on the optioned claims as they fall due.

* * *

Matona Gold Mines—According to mine manager Alex H. Smith, has driven its raise through from the 125-ft. level to connect with the 30-ft. No. 4 shaft or pit a distance of over 60 ft., with about 25 ft. to go. At that point, it is reported, the working was in vein material showing coarse free gold. The formation coincides with that encountered in drifting operations on the 125-ft. horizon. Funds are reported sufficient for exploration and mine development.

* * *

New Rouillard Gold—Has begun diamond drilling on No. 1 vein and plans to carry the hole to 300 ft. and put down a subsequent series of holes along this development. Company will then move the drills to the junction of veins Nos. 4 and 8 on the southern section and eventually extend to the high grade material which, according to New Rouillard, is an offshoot of No. 8 vein. Colin Campbell is directing the extensive drilling programme.

* * *

North Huro Gold Mines—Is undergoing a geophysical survey on its property in Galbraith twp. of Algoma district. A start has been made on a programme of 5,000 ft. of diamond drilling. A. D. Harding, B.Sc., formerly with International Nickel, has joined the staff of Mining Research Corp., which is supervising development work at North Huron.

* * *

Young Shannon Gold—Reports that seven back samples from the third ore lens on the second level of this company's Chester twp. property gave average assay of $20.30 across 2½ ft. Lateral diamond drilling shows an additional 10 ft. of quartz and vein matter.

No Likelihood Of Reopening McMillan Mine

Ore Condition and Finances Give Little Scope

WORK SUSPENDED

From Our Own Correspondent

SUDBURY.—Suspension of all operations at McMillan Gold Mines in the West River section, coming about five months after they had been resumed under new auspices, is believed in Sudbury to spell the final word in the project, unless something unforeseen transpires. Decision to quit was announced after a meeting of the directors held in Preston, where President G. A. Foot is recuperating from a severe illness. In the statement released it was indicated that the step was found necessary due to the financial position of the company.

Shareholders once before, in May, 1936, voted to close down and dispose of the assets, after a report had been made by W. E. Segsworth, M.E., in which he stated he saw little hope of establishing the existence of any substantial body of commercial ore.

Subsequently, however, a number of Sudbury shareholders who were not satisfied that every chance had been explored, obtained control of the large holdings of the New York interests who had been directing affairs, raised a moderate amount of new capital and carried out a diamond drilling campaign last midsummer, which gave some encouragement. Mining crews were reassembled and in November last milling was resumed.

Ore Spotty

For a time, with some patches of rich arsenopyrite ore encountered at the lower levels it appeared as if McMillan was at last to come into its own and justify the faith its sponsors held for it. But apparently the record the mine had previously set for "spotty" ore still held good, and there was difficulty in establishing any continuity to the good grade intersected here and there. The mill feed, which during the winter had reached over 100 tons daily, did not give a general average grade to make production profitable. A gold brick was shipped to the mint early in January, but no official statement was made as to its value. It was reported, however, that it was worth approximately $8,000, representing December milling. It was officially reported in February that bullion shipped and in the refinery during the month of January amounted to $14,121, and costs averaged $5.27 per ton. Estimated gold in the mill circuit was $21,822. Tonnage treated in January was 2,775, so that the average grade was slightly over $5 per ton.

The directors' statement advising of the suspension of operations intimated that the gold remaining in the circuit is now being recovered.

As to the future of the company, there is doubt that another effort will be made. In any event it would require complete reorganization of capital structure. Nearly all of the 4 million shares have been issued. Against this also, there is the uncertainty of the ore position, as revealed by experiences to date, and therefore the outlook is not regarded here as particularly promising.

Ont. Nickel Starts Drill At Cuniptau

Corporation Secures Many Properties in Sudbury and Temagami

DRILL ALEXO

From Our Own Correspondent

SUDBURY.—A diamond drilling programme has been commenced on the Cuniptau property in the Timagami area, for the Ontario Nickel Corp. which recently took over the Cuniptau interests. The drilling is to be performed both from surface and underground. It is understood also, that Ontario Nickel contemplates a drilling campaign on the Alexo nickel property, near Porquis Junction, and also at the Mount Etna in the Sudbury area, two of the properties which were absorbed by the Ontario Nickel in its recent deal with Cuniptau and other interests.

The Alexo, which had previously made a deal with Cuniptau for shipment of ore, will be remembered for its operations during the Great War years. Ore was shipped from the mine to the Coniston smelter of the Mond Nickel Co. and officials report a developed tonnage of 21,000 tons grading 4.23% nickel plus 8,600 tons of probable ore. The drilling programme will test the deposit at lower depths.

Among the properties in Sudbury district secured under option by Ontario Nickel Corp. are a number of claims near the Whistle mine, the Cressey holdings of 100 acres near Copper Cliff, the Gersdorffete mine near Worthington, and McVittie-Graham holdings in Denison and Graham townships.

Ross Red Lake Gold Syndicate—According to J. B. St. Paul, directing operations, assayed $1, $2.40 and $10.80 from channel samples taken since trenching was resumed at the Syndicate's Flat Lake property. In addition to this group, which is northwest of Madsen Red Lake, the syndicate holds six claims adjoining Coin Lake on the west.

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Uchi Lake

Is the present price of Uchi Lake justified considering the limited amount of development to date?

Whether or not the present price of Uchi Lake is justified, depends, of course, on what results are obtained from underground work, results which nobody can forecast.

The company itself is in the experienced and sincere hands of John E. Hammell, a Canadian mining man who has met with considerable success in developing profitable properties. Diamond drilling has indicated a mineralized zone 1,800 ft. long and practically all the drill holes put down have shown gold values. At present a shaft is being sunk to 500 ft. and extensive lateral exploration work is planned. The very encouraging values received from diamond drilling will, of course, have to be proved by underground work. In the meantime this operation remains a speculation although one with certain definite attractions.

Lake Shore Gold

Will you kindly let me know if Lake Shore mining stock is selling too high at the present time to invest for a yield?

At current prices, Lake Shore stock is yielding 8.8%, a very satisfactory yield in view of the comparative security which this stock offers. Working capital is large at $11.5 millions of which $8.6 millions is in the form of cash. To date there has been no intimation that depth limits are being approached as it is generally considered that this property has many years of profitable life ahead of it.

The speculative element in connection with Lake Shore, as with any gold producer, lies, of course, largely with the future price of gold. What will happen to the price of gold is, of course, anybody's guess, but the large majority of observers feel that $35 per ounce gold is fairly well-established for the immediate future at least. An important factor currently commanding attention is the possibility that the U. S. may decide to adopt a variable price for gold in place of the fixed price of $35.

In the meantime, both from the point of view of security, and yield, Lake Shore appears to us to be an attractive investment.

Cartier Malartic

Please give me a line on Cartier Malartic Gold Mines. Briefly, is it a speculation?

Cartier Malartic Gold Mines owns a property in Malartic Twp., but at the present time its principal interest is its one-million share holdings of Kewagama Gold Mines in the Cadillac belt. The property adjoins O'Brien and is considered to have unusually good possibilities owing to marked similarity in geological conditions. This is still a geological bet and it is for the investor to decide whether or not the market price has discounted the favorable features of this property.

Denison Copper

I hold 125 shares of Denison Copper Mines. I understand this company has been taken over by Denison Nickel Mines Ltd. Would you kindly advise if the above shares are recognized by the new company, and if they are of any value?

Denison Nickel Mines is capitalized at 3.5 million shares, of which 1.5 million shares are pooled with Denison Copper Co., former owners of the property. The balance of the stock remains in the treasury. Accordingly, shareholders of Denison Copper have an equity in Denison Nickel Mines. Denison Copper has not issued any recent financial statement so that we are unable to determine how many shares are outstanding.

In the meantime, however, shaft sinking at the Sudbury property has reached 50 feet and the objective of 200 feet should shortly be reached. Officials claim that diamond drilling has indicated a low grade nickel-copper body which carries appreciable values in precious metals. The company reports sufficient money on hand for current operations.

Albany River

Would you please advise me of the prospects of Albany River. Who are the heads of this mine and what are its development and progress to date? Do you think it is a speculation?

Albany River Mines has been getting fairly encouraging results from its property northeast of Pickle Crow Gold Mines, Patricia district of Ontario. Latest reports were that on the 125-ft. level a four-ft. width of ore was intersected by cross-cutting. Average assays of $17.25 per ton were obtained. As at Feb. 25, 1937, the company had about $115,000 in cash and about 550,000 shares in the treasury. Options on the next 350,000 shares if exercised will net the treasury an additional $300,000. Provided that options are taken up, this company should be in a comfortable position for financing the operation. At the present time it is drifting on three levels which are being sunk to 500 ft.

Directors of this company include J. W. Morrison, pres.; R. D. Cumming, sec.-treas.; Louis Cohen, Ed. Horne, Haileybury; and G. C. Lawrence of Toronto. The company is capitalized at $3 millions in $1 par value shares.

While still a speculative stock, initial results have been, as we have said, sufficiently encouraging to indicate that further expenditure is warranted on this property.

Aldermac Copper

I have been advised to purchase some stock in Aldermac Copper Corp. Is it true that the mill is to be stepped up to 1,000 tons in June? How about management, finances and markets? What is the sulphur and copper content of the ore?

Aldermac Copper Corp. owns 800 acres in northwestern Quebec, 10 miles west of Noranda. The company is capitalized at five million shares, of which 4.7 millions are issued. Of the issued stock, 1,249,674 were issued to Aldermac Mines in payment of that company's assets, 780,000 were issued to Towagmac Exploration Co. in settlement of money advanced and the balance was sold for cash. There is also outstanding an issue of 5% bonds amounting to $400,000 due in 1946.

At the property, ore reserves including that partially developed is estimated by the company at 1,743,760 tons above the 1,125-ft. level with an average metal content of 35% sulphur, 2% copper, .02 oz. of gold and .75 oz. of silver per ton.

As regards the disposing of the company's sulphur, officials have publicly stated that the company has contracts for the sale of 100 tons of sulphur daily for 10 years and also for the sale of the entire output of copper concentrate. The mill has been put in operation on a daily basis of 250 tons and while nothing official has been said it is reliably reported that an increase to 1,000 tons this summer is a possibility. On the basis of 1,000 tons a day, and with copper at its present level, earnings should be somewhere in the neighborhood of 25 cents a share on the authorized capital.

Rich Rock Gold

I would like to get some information on Rich Rock Gold Mines, which I understand has sold its property.

Rich Rock Gold Mines sold its property to Addington Mines Ltd. for 1.2 million shares which will eventually be distributed approximately on a basis of one Addington share for each 2.37 shares of Rich Rock. The address of this company is 67 Yonge St., Toronto.

The property itself consists of 300 acres in Kaladar Twp. in Lennox and Addington County of southeastern Ontario. Addington Mines was incorporated in Ontario in February, 1936, and has an authorized capitalization of three million shares. After issuing 1.2 million shares to Rich Rock the balance was optioned by Consolidated Mining & Smelting Co. which, at the end of 1936 had expended approximately $150,000 on the property, and is taking down stock as needed to provide funds. The property has been developed by a three-compartment shaft to a 500-ft. level and at the present time lateral work is being carried out. Results of this work have not been disclosed.

Shareholders of Rich Rock Gold Mines at a meeting held Nov. 23, 1936, approved the resolution authorizing the distribution of its holdings in stock of Addington to shareholders and to wind up the company.

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